CSO Economic Trends

ARTICLES

An investigation into balancing the UK national and financial accounts, 1985–1987

The rebased index of production

No. 424

February 1989

Release dates of economic statistics to be published in March 1989

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in March 1989. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

Publication date	Series	Method of release	Source
March			
Wed 1	London sterling certificates of deposit (January)	PN	Bank of England
	Bill turnover statistics (January)	PN	Bank of England
	UK banks' assets and liabilities and the money stock (January)	PN	Bank of England
	Sterling commercial paper (January)	PN	Bank of England
	Balance of payments current account and overseas trade figures (January)	PN	DTI/CSO
	Advance energy statistics (January)	PN	Dept. of Energy
Thurs 2	UK official reserves (February)	PN	HMT
	Capital issues and redemptions (February)	PN	Bank of England
Fri 3	Company liquidity survey (4th quarter)	British Business	DTI
Mon 6	Retail sales (January-final)	PN	DTI
	Credit business (January)	PN	DTI
Tue 7	Housing starts and completions (January)	PN	DOE
	House renovations (4th quarter)	PN	DOE
Wed 8	Overseas travel and tourism (December)	PN	DE
	Detailed analysis of employment, unemployment, earnings, prices and other indicators	Employment Gazette	DE
Thurs 9	CBI/FT Survey of distributive trades (February)	PN	CBI
Fri 10	Usable steel production (February)	PN	BSC/BISPA
	Construction output (4th quarter)	PN	DOE
	UK Balance of payments (4th quarter)	PN	CSO
Mon 13	Retail sales (February-provisional)	PN	DTI
	Producer price index numbers (February-provisional)	PN	DTI
Tue 14	International Banking Statistics (4th quarter)	PN	Bank of England
Thurs 16	Provisional figures of vehicle production (February)	PN	DTI
	Index of ouptut of the production industries (January)	PN	CSO
	Public sector borrowing requirement (February)	PN	HMT/CSO
	Capital expenditure by the manufacturing and service industries (4th quarter-revised)	PN	DTI
	Labour market statistics: unemployment and vacancies (February-provisional); average earnings indices (January-provisional); employment, hours, productivity and unit wage costs; industrial disputes	PN	DE
Fri 17	Engineering sales and orders at current and constant prices (January)	British Business	DTI
	Gross domestic product (4th quarter-provisional)	PN	CSO
Sun 19	National Savings monthly progress report (February)	PN	Dept. for National Savings
Mon 20	Food facts (4th quarter)	PN	MAFF
	London and Scottish banks monthly statement (February)	PN	CLSB
	Provisional estimates of monetary aggregates (February)	PN	Bank of England
Wed 22	Building societies monthly figures (February)	PN	BSA
	Manufacturers' and distributors' stocks (4th quarter-revised)	PN	DTI
	Cyclical indicators for the UK economy (February)	PN	CSO
	Construction - new orders (January-provisional)	PN	DOE
Thurs 23	Tax and price index (February)	PN	CSO
	Retail prices index (February)	PN	DE
Tue 28	CBI Monthly Trends Enquiry (March)	PN	CBI
Wed 29	Personal income and expenditure (4th quarter)	PN	CSO
	Industrial and commercial companies (4th quarter)	PN	CSO
	Balance of payments current account and overseas trade figures (February)	PN	DTI/CSO
	New vehicle registrations (February)	PN	DTp
Thurs 30	Energy trends (January)	PN	Dept. of Energy
Fri 31	London sterling certificates of deposit (February)	PN	Bank of England
	Bill turnover statistics (February)	PN	Bank of England
	UK banks' assets and liabilities and the money stock (February)	PN	Bank of England
	Sterling commercial paper (February)	PN	Bank of England

PN = Press Notice

Economic Trends

No 424
February 1989

Government Statistical Service

A service of statistical information and advice is provided to Government by specialist staffs employed in the statistics division of individual Departments. Statistics are made generally available through their publications and further information and advice on them can be obtained from the Department concerned.

The sources of the series published in this volume and further information about them are shown in the index. Current telephone numbers of these sources as well as general information about *Economic Trends* can be obtained from the Central Statistical Office, Great George Street, London SW1P 3AQ. Telephone: 01-270 6363/6364

Enquiries about orders and subscriptions for *Economic Trends* and other Central Statistical Office publications should be made to:

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Introduction

Economic Trends brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy:

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier. All data in this section are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

The main section is based on information available to the CSO on the date printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
2. Similarly, almost all quarterly data are seasonally adjusted; those not seasonally adjusted are indicated by NSA.
3. Some data, particularly for the latest time period, are provisional and may be subject to revision in later issues.
4. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
5. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
6. 'Billion' denotes one thousand million.
7. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.
8. Symbols used:
   - .. not available
   - \- nil or less than half the final digit shown
   - \+ alongside a heading indicates a series for which measures of variability are given in the table on page 73
   - † indicates that the data has been revised since last edition; the period marked is the earliest in the table to have been revised
   - * average (or total) of five weeks.

The Editor would welcome readers' suggestions for improvements to Economic Trends.

Central Statistical Office, 24 February 1989

CSO Databank

Virtually all the series in *Economic Trends* and the Quarterly Articles may be obtained via the CSO Databank Magnetic Tape Service. This enables users to obtain (in computer-readable form) a much more comprehensive and up-to-date set of long run macro-economic time series data than can be included in this publication.

Details of the service offered and the schedule of changes may be obtained from the Databank Manager, CSO Branch 9, Room 52/4, Government Offices, Great George Street, London SW1P 3AQ (telephone 01-270 6386). CSO does not offer direct on-line access for these data but a list of host bureaux offering such a facility is available on request from CSO.

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Latest developments in the economy

Data available at 27 February 1989

Output

Preliminary estimates suggest that the output of the whole economy in the fourth quarter of 1988 was flat relative to the previous quarter. Output of the service sector was flat in the fourth quarter. Within the service sector distribution output grew by ½ per cent. The output of the production industries was also flat in the fourth quarter reflecting the offsetting effects of a ½ per cent rise in manufacturing output and a 2 per cent fall in energy output.

Stockbuilding

Revised figures indicate that the level of stocks held by UK industry fell by about £110 million, at 1985 prices, in the third quarter of 1988 following an increase of around £800 million in the previous quarter. Wholesalers and retailers increased their stocks by around £145 million and £45 million respectively, whilst manufacturers reduced their stocks by about £2140 million.

Within manufacturing stocks of finished goods were decreased by about £55 million and stocks of materials and fuel by around £45 million. Stocks of work in progress fell by about £40 million in the third quarter.

The stock/output ratio fell from 85.8 at the end of June to 83.1 at the end of September.

Consumers' expenditure

The provisional estimate of the index of the volume of retail sales in January was 138.7 (1980=100). In the three months to January the level of sales was under a ½ per cent above the level in the previous three months and 4½ per cent higher than in the corresponding period a year earlier.

Prices (not seasonally adjusted)

The general index of retail prices for all items for January 1988 was 111.0 (January 1987=100). This represents an increase of 0.6 per cent on December 1988 and an increase of 7.5 per cent on January 1988. The rise in the index between December and January was mainly due to increased housing costs, in particular mortgage interest payments. There were also higher food prices, with milk up 1p per pint. Christmas discounts ended for alcoholic drink, motor insurance premia were higher and rail fares increased early in the month. The Tax and Price Index for January 1988 was 107.1 (January 1987=100), 5.6 per cent higher than in January 1987 compared with an increase of 7.5 per cent in the Retail Prices Index in the same period.

The price index for materials and fuel purchased by manufacturing industry rose by 4.8 per cent in the twelve months ended December, after having risen 4.4 per cent in the twelve months ended November. Between November and December the index rose by 2.8 per cent. This increase mainly reflected the normal winter increase in costs of electricity and higher prices for metals. The seasonally adjusted index rose by 0.5 per cent between November and December.

Monetary aggregates

Provisional information suggests that in the twelve months to January and before seasonal adjustment, M0 rose by 8.1 per cent, M3 by 22.0 per cent, M4 by 18.3 per cent and M5 by 17.5 per cent. In January M0 fell by 6.3 per cent, M3 fell by 0.1. per cent, M4 rose by 0.6 per cent and M5 rose by 0.6 per cent, before seasonal adjustment. After seasonal adjustment, M0 fell by 0.6 per cent, M3 rose by 1.2 per cent, M4 rose by 0.7 per cent and M5 rose by 0.7 per cent.

Capital expenditure

The provisional estimate of capital expenditure by the manufacturing, construction, distribution and financial industries in the fourth quarter of 1988 is £7256 million, at 1985 prices; almost 6 per cent lower than in the preceding quarter and 3 per cent lower than in the fourth quarter of 1987. The volume of investment in 1988 was almost 10 per cent higher than in 1987.

The provisional estimate of manufacturers' total direct investment in the fourth quarter of 1988 (taking into account the leasing of assets to manufacturers from the financial industries) is £2705 million at 1985 prices; 4 per cent lower than in the previous quarter but 5 per cent higher than in the fourth quarter of 1987. The volume of investment (including leased assets) in 1988 was nearly 10 per cent higher than in 1987. On the same annual basis of comparison, expenditure (including leasing) on vehicles increased by 18½ per cent, and on plant and machinery by over 10½ per cent, but there was a decrease of 1½ per cent in expenditure on new building work.

The provisional estimate of investment by the construction, distribution and financial industries (excluding leasing to manufacturers) in the fourth quarter of 1988 is £4551 million at 1985 prices; almost 7 per cent lower than in the preceding quarter, and over 7 per cent lower than in the fourth quarter of 1987. The volume of investment in 1988 (excluding leasing to manufacturers) was over 9½ per cent higher than in 1987. On the same basis, expenditure (excluding leasing) on individual assets rose by over 10 per cent for new building work, by over 1½ per cent for vehicles and by almost 12½ per cent for plant and machinery.

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● **Employment and Earnings**	Monthly
● **RPI/TPI and Producer Price Indices**	Monthly
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CSO does not offer direct on-line access to the data, but a list of host bureaux offering this facility is available on request.

1 Selected monthly indicators

	Volume of retail sales (GB)+ (1980=100)[1]	Index of output of production industries (1985=100)	Unemployed (thousands)	Vacancies at job centres (thousands)	Average earnings - whole economy (GB) (1985=100)	Producer price index of materials and fuel (1985=100)	Retail prices index (all items) (January 1987=100) (NSA)	Tax and price index (January 1987=100) (NSA)	Sterling exchange rate index (1985=100) (NSA)	UK official reserves ($ million) (NSA)	Balance of payments: current balance (£ million)	Money stock M3 (£ million)
	FAAM	DVIM	BCJD	DPCB	DNAB	DZDQ	CHAW	DQAB	AJHV	AIPI	AIMF	AGBC
1987 Jul	130.8	106.3†	2 812.6	235.3	117.0	96.6†	101.8	99.7	90.5	34 915	-356	170 865
Aug	131.6	107.2	2 766.6	237.7	117.1	96.7	102.1	100.0	90.0	34 365	-791	173 108
Sep	132.0*	105.8	2 718.1	244.4	117.4	96.3	102.4	100.4	90.9	34 808	-57	174 598
Oct	133.0	108.0	2 663.9	259.9	118.8	96.5	102.9	100.9	91.4	41 399	-517	180 001
Nov	133.5	107.9	2 604.4	265.1	120.2	95.6	103.4	101.5	93.2	41 281	-650	180 517
Dec	133.4*	108.1	2 568.6	254.9	121.0	95.6	103.3	101.4	93.6	44 326	-802	184 762
1988 Jan	135.0	108.2	2 519.4	250.8	121.8	95.4	103.3	101.4	92.8	43 093	-1 020	185 999†
Feb	135.4	106.5	2 485.0	249.6	122.0	95.7	103.7	101.8	92.2	42 927	-1 163	187 842
Mar	135.4*	108.4	2 453.9	249.4	124.0	96.0	104.1	102.3	95.3	47 519	-652	192 420
Apr	136.3	108.9	2 402.9	255.9	124.4	96.9	105.8	101.4	97.2	47 857	-622	195 357
May	137.7	109.5	2 363.8	254.5	124.2	98.2	106.2	101.9	97.6	48 533	-1 089	196 259
Jun	137.0*	110.0	2 324.1	255.1	125.1	100.1	106.6	102.3	95.3	48 519	-950	201 182
Jul	140.0	110.8	2 267.3	249.7	126.9	100.5	106.7	102.4	94.7	49 826	-1 995	206 969
Aug	139.5	110.9	2 225.6	242.8†	126.6	99.8	107.9	103.7	96.1	50 639	-1 165	208 862
Sep	138.4*	111.5	2 191.7	240.3	127.6	99.3	108.4	104.3	94.8	50 482	-563	214 367
Oct	141.2	111.0	2 157.9	251.2	129.5	99.0	109.5	105.4	95.7	50 048	-2 328	215 883
Nov	140.4	111.7	2 105.2	245.2	130.7	99.7	110.0	106.0	96.6	51 040	-1 466	217 380
Dec	140.8*	109.7	2 039.1	238.3	134.2†	100.2	110.3	106.3	97.7	51 685	-1 257	222 716
1989 Jan	..	..	..	229.2	..	100.8	111.0†	107.1†	97.9†	51 705†	..	..
Percentage change, latest three months on previous three months												
1987 Jul	1.1	0.8	-4.2	8.0	2.3	1.3	0.9	-0.5	2.8			
Aug	2.4	0.8	-4.3	5.8	2.0	2.0	0.5	-0.2	0.2			
Sep	2.1	1.3	-4.6	4.7	1.8	1.8	0.2	0.3	-			
Oct	2.5	1.5	-4.8	5.9	1.6	1.0	0.6	0.7	0.1			
Nov	1.7	1.3	-5.3	8.9	1.9	-0.2	0.9	1.1	1.7			
Dec	1.4	1.5	-5.5	8.7	2.4	-0.7	1.1	1.2	2.5			
1988 Jan	1.3	1.0	-5.6	3.9	2.7	-1.0	0.8	1.0	2.7			
Feb	1.3	0.4	-5.2	-1.8	2.4	-0.6	0.5	0.6	1.1			
Mar	1.5	-0.3	-4.8	-3.9	2.2	-0.2	0.5	0.6	0.8			
Apr	1.3	-0.1	-4.6	-2.1	2.1	0.7	1.2	0.4	1.8			
May	1.4	1.2	-4.7	0.6	2.1	1.5	1.9	0.3	4.1			
Jun	1.3	1.6	-4.9	2.1	1.5	2.8	2.4	-	3.5			
Jul	1.9	2.0	-5.3	0.6	1.5	3.5	1.9	0.4	1.0			
Aug	1.7	1.5	-5.6	-1.6	1.5	3.2	1.6	0.9	-1.4			
Sep	1.7	1.5	-5.7	-4.3	1.9	1.5	1.4	1.6	-1.6			
Oct	1.1	0.9	-5.5	-3.3	2.0	-0.2	2.0	2.2	-0.3			
Nov	0.8	0.8	-5.3	-1.5	2.5	-0.8	2.1	2.4	0.3			
Dec	1.1	-0.2	-5.7	0.3	3.5	-0.2	2.1	2.4	1.5			
1989 Jan	..	..	..	-2.9	..	0.9	1.7	1.9	2.0			
Percentage change, latest three months on corresponding period of previous year												
1987 Jul	5.7	3.5	-8.8	27.0	8.1	5.3	..	..	-4.6			
Aug	6.2	3.9	-10.2	21.9	7.8	6.9	..	..	-2.7			
Sep	6.5	3.9	-11.5	20.4	7.9	6.7	..	..	0.4			
Oct	6.3	4.3	-12.8	21.8	7.9	5.5	..	..	4.0			
Nov	5.8	3.8	-14.1	24.5	8.1	4.2	..	..	6.7			
Dec	5.6	4.6	-15.2	24.6	8.4	3.4	..	..	8.9			
1988 Jan	6.5	4.9	-16.4	22.0	8.6	2.5	..	..	9.1			
Feb	7.1	4.1	-16.9	19.1	8.6	2.1	..	..	8.8			
Mar	7.8	3.9	-17.4	16.8	8.8	1.9	3.4	1.4	7.8			
Apr	6.4	3.1	-17.8	16.3	8.9	2.1	3.6	1.5	7.6			
May	7.0	3.7	-18.1	13.7	8.7	2.8	3.9	1.8	7.4			
Jun	6.4	4.2	-18.5	11.8	8.2	3.8	4.3	2.1	6.9			
Jul	7.1	4.4	-18.8	8.4	8.0	4.3	4.5	2.4	5.8			
Aug	6.3	4.4	-19.2	5.8	8.1	4.0	5.0	3.0	5.6			
Sep	6.0	4.3	-19.4	2.1	8.3	3.5	5.5	3.4	5.2			
Oct	5.7	3.8	-19.3	-1.0	8.5	3.0	6.0	4.0	5.3			
Nov	5.4	3.9	-19.2	-4.3	8.7	3.3	6.2	4.3	4.2			
Dec	5.6	2.6	-19.6	-5.8	9.5	3.9	6.5	4.6	4.2			
1989 Jan	..	..	..	-7.5	..	4.9	6.9	5.0	4.5			

1 The series has been revised to take account of updated seasonal adjustment factors.

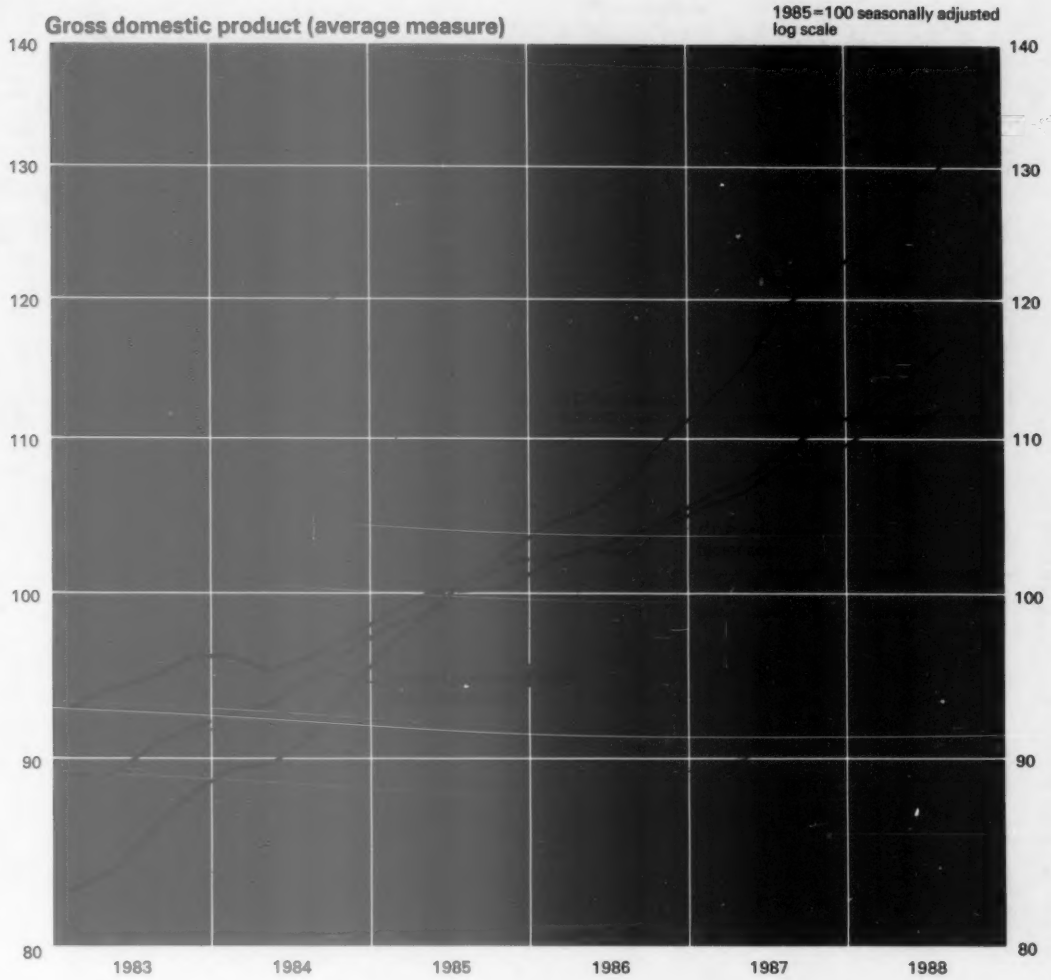
Sources: Department of Trade and Industry; Department of Employment; Central Statistical Office; Bank of England

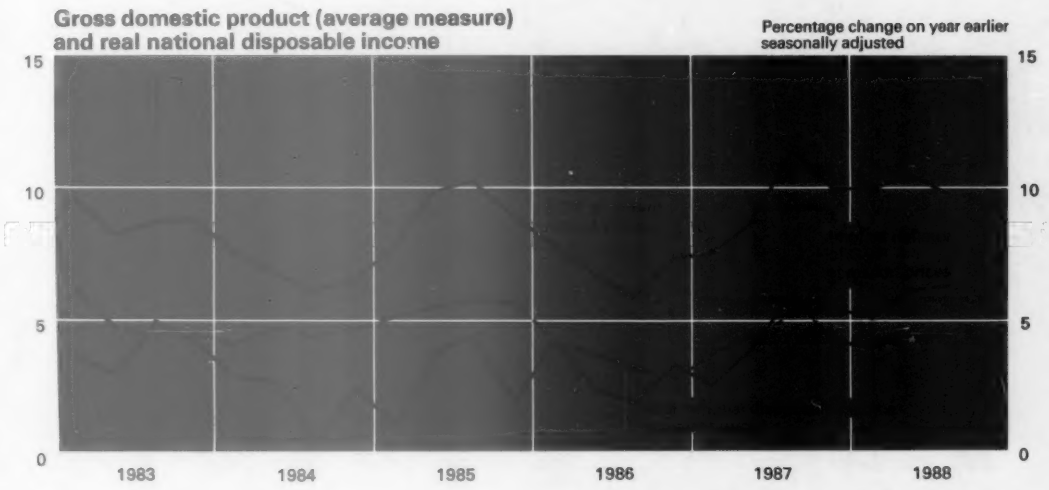
2 National accounts aggregates

	Gross domestic product									Gross national disposable income: average estimate at 1985 market prices[4] (1985=100)	Implied gross domestic product deflators based on expenditure data	
	At current prices				At 1985 prices							
	At market prices		At factor cost			At factor cost						
	Average estimate (£ mn)	Average estimate[1] (1985=100)	Expenditure-based estimate (£ mn)	Income-based estimate (£ mn)	Average estimate at market prices (1985=100)	Average estimate (1985=100)	Expenditure-based estimate (1985=100)	Income-based estimate[1] (1985=100)	Output-based estimate (1985=100)		At market prices (1985=100)	At factor cost[2] (1985=100)
	CAOB	DJCL	DJAE	DJAL	FNAO	DJDD	DJDE	DIAR	DSAE	DJCR	DJDT	DJCM
1978	167 814	47.4	149 459	147 916	90.5	90.4	90.9	89.7	90.2	88.5	52.4	54.0
1979	197 415	55.7	172 108	171 696	93.0	92.8	92.8	92.3	92.9	91.5	59.9	61.0
1980	230 671	65.1	200 453	199 377	90.8	90.7	91.1	90.3	90.2	90.0	71.7	72.3
1981	253 905	71.7	218 736	217 716	89.7	89.7	90.3	89.5	89.0	89.7	79.9	79.7
1982	277 953	78.5	236 951	238 025	91.3	91.4	91.4	91.5	90.9	91.2	86.0	85.2
1983	302 948	85.5	260 027	260 925	94.6	94.7	95.0	95.0	94.0	95.0	90.4	90.0
1984	323 810	91.4	277 988	278 452	96.6	96.3	96.2	96.1	96.6	97.2	94.6	95.0
1985	354 257	100.0	304 208	305 262	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	379 330	107.1	322 062	324 007	103.4	103.2	103.1	103.4	103.0	103.1	103.6	102.6
1987	415 550	117.3	351 413	354 379	108.0	107.6	107.2	107.7	107.8	107.6	108.6	107.7
	CAOB	DJCL	DJBA	DJBE	FNAO	DJDD	DJDE	DIAR	DSAE	DJCR	DJDT	DJCM
1984 Q1	79 478	89.7	68 521	67 970	96.4	96.2	96.5	95.4	96.5	97.2	93.1	93.3
Q2	79 688	90.0	68 062	68 400	96.0	95.6	95.1	95.3	96.2	96.3	93.7	94.1
Q3	81 224	91.7	69 140	70 124	96.4	96.1	95.5	96.5	96.4	96.3	95.1	95.2
Q4	83 420	94.2	72 265	71 958	97.6	97.4	97.8	97.0	97.3	98.8	96.5	97.2
1985 Q1	85 811	96.9	74 361	73 894	98.8	98.8	99.3	98.3	98.8	98.4	98.0	98.5
Q2	87 771	99.1	75 521	75 850	100.1	100.3	100.2	100.3	100.3	100.0	99.0	99.1
Q3	89 651	101.2	76 667	77 135	100.5	100.4	100.3	100.5	100.3	100.7	100.7	100.5
Q4	91 024	102.8	77 659	78 383	100.6	100.6	100.2	100.8	100.6	100.9	102.2	101.9
1986 Q1	92 746	104.7	79 271	80 087	102.3	102.3	102.4	103.1	101.4	102.7	102.4	101.8
Q2	93 812	105.9	80 050	80 124	103.1	103.0	103.3	103.0	102.5	102.6	102.8	101.9
Q3	95 043	107.3	79 880	80 845	103.0	102.7	101.9	102.8	103.4	102.7	104.2	103.0
Q4	97 729	110.3	82 861	82 951	105.0	104.7	104.9	104.6	104.7	104.3	105.0	103.9
1987 Q1	99 849	112.7	85 189	85 383	106.1	106.0	106.4	106.3	105.3	105.4	106.2	105.3
Q2	102 021	115.2	86 350	87 337	107.1	106.8	106.3	107.1	106.9	106.8	107.5	106.8
Q3	106 066	119.8	89 477	90 405	109.2	108.7	108.2	109.0	108.9	109.1	109.7	108.7
Q4	107 614	121.5	90 397	91 254	109.5	108.9	108.0	108.6	110.0	108.8	111.0	110.1
1988 Q1	109 890	124.1	92 087	94 615	111.0	110.8	109.3	111.9	111.3	109.8	111.8	110.8
Q2	112 855	127.4	94 723	95 473	111.5	111.1	110.3	110.8	112.3	111.5	114.3	112.9
Q3	116 471[5]	131.5[5]	94 911	98 789	112.7[5]	112.4[5]	107.2	112.1[6]	113.6	114.1[5]	116.6[6]	115.5[6]
Percentage change, quarter on corresponding quarter of previous year[3]												
1984 Q2	*6.9*	*6.9*	*7.4*	*5.8*	*1.9*	*1.2*	*1.1*	*-0.4*	*3.2*	*2.8*	*4.9*	*6.2*
Q3	*6.3*	*6.3*	*5.1*	*6.5*	*1.6*	*1.1*	*-*	*1.3*	*2.1*	*0.5*	*4.6*	*5.1*
Q4	*6.6*	*6.6*	*7.7*	*6.6*	*1.7*	*1.4*	*1.8*	*0.7*	*1.8*	*2.7*	*4.8*	*5.8*
1985 Q1	*8.0*	*8.0*	*8.5*	*8.7*	*2.5*	*2.7*	*2.9*	*3.0*	*2.4*	*1.2*	*5.3*	*5.5*
Q2	*10.1*	*10.1*	*11.0*	*10.9*	*4.2*	*4.9*	*5.4*	*5.3*	*4.3*	*3.9*	*5.7*	*5.3*
Q3	*10.4*	*10.4*	*10.9*	*10.0*	*4.2*	*4.4*	*5.0*	*4.2*	*3.9*	*4.6*	*5.9*	*5.6*
Q4	*9.1*	*9.1*	*7.5*	*8.9*	*3.1*	*3.3*	*2.5*	*3.9*	*3.4*	*2.0*	*5.8*	*4.8*
1986 Q1	*8.1*	*8.1*	*6.6*	*8.4*	*3.5*	*3.5*	*3.1*	*4.8*	*2.5*	*4.4*	*4.4*	*3.4*
Q2	*6.9*	*6.9*	*6.0*	*5.6*	*3.0*	*2.7*	*3.1*	*2.7*	*2.0*	*2.6*	*3.8*	*2.8*
Q3	*6.0*	*6.0*	*4.2*	*4.8*	*2.6*	*2.3*	*1.7*	*2.3*	*3.3*	*2.0*	*3.4*	*2.5*
Q4	*7.4*	*7.4*	*6.7*	*5.8*	*4.4*	*4.2*	*4.6*	*3.8*	*4.1*	*3.4*	*2.8*	*2.0*
1987 Q1	*7.7*	*7.7*	*7.5*	*6.6*	*3.8*	*3.6*	*3.9*	*3.1*	*3.9*	*2.6*	*3.8*	*3.4*
Q2	*8.8*	*8.8*	*7.9*	*9.0*	*3.9*	*3.7*	*2.9*	*4.0*	*4.3*	*4.1*	*4.6*	*4.8*
Q3	*11.6*	*11.6*	*12.0*	*11.8*	*6.0*	*5.8*	*6.2*	*6.0*	*5.3*	*6.2*	*5.3*	*5.5*
Q4	*10.1*	*10.1*	*9.1*	*10.0*	*4.2*	*3.9*	*2.9*	*3.8*	*5.1*	*4.3*	*5.7*	*6.0*
1988 Q1	*10.1*	*10.1*	*8.1*	*10.8*	*4.6*	*4.6*	*2.7*	*5.3*	*5.7*	*4.1*	*5.2*	*5.2*
Q2	*10.6*	*10.6*	*9.7*	*9.3*	*4.0*	*4.0*	*3.7*	*3.4*	*5.0*	*4.4*	*6.3*	*5.7*
Q3	*9.8*	*9.8*	*6.1*	*9.3*	*3.2*	*3.4*	*-1.0*	*2.9*	*4.3*	*4.6*	*6.4*	*6.2*
Q4	..	..	..	..	..	..	..	..	*3.4*	..	..	..

1 "Money GDP".
2 Income data deflated by the implied GDP deflator at factor cost based on expenditure data.
3 Also known as the Index of total home costs.
4 These estimates of change are based in some cases on less rounded figures than in the table.
5 Also known as Real national disposable income (RNDI).
6 Average estimates in the third quarter of 1988 have been derived from income and output estimates only.
7 The deflators for the third quarter of 1988 are derived from the average estimates rather than the expenditure estimates.

Source: Central Statistical Office


Gross domestic product (average measure)
1985=100 seasonally adjusted
log scale
140
130
120
110
100
90
80
1983
1984
1985
1986
1987
1988


Gross domestic product (average measure)
and real national disposable income
Percentage change on year earlier
seasonally adjusted
15
10
5
0
1983
1984
1985
1986
1987
1988

3 Gross domestic product: by category of expenditure

£ million, 1985 prices

	At market prices														
	Final expenditure on goods and services														
		General government final consumption													
	Consumers' expenditure	Central government	Local authorities	Total	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Total	*less* Imports of goods and services	Gross domestic product (expenditure based)	*less* Factor cost adjustment	Gross domestic product (expenditure based) at factor cost	Statistical discrepancy (expenditure adjustment)	Gross domestic product (average estimate) at factor cost[2]
	CCBH	DJDK	DJDL	DJCZ	DFDM	DHBK	DJCV	DJDA	DJCY	DJCX	DJCU	DJCW	GIXS	CAOP
1978	185 950	41 880	26 577	68 466	54 914	2 882	85 554	398 336	76 582	321 692	45 203	276 531	-1 155	275 376
1979	193 794	42 519	27 410	69 943	56 450	3 325	88 789	412 902	84 019	328 864	46 610	282 322	459	282 782
1980	193 806	43 775	27 272	71 050	53 416	-3 357	88 963	403 713	81 185	322 501	45 305	277 238	-744	276 495
1981	193 832	44 195	27 074	71 269	48 298	-3 191	88 205	397 812	78 922	318 852	44 246	274 614	-1 164	273 450
1982	195 561	44 509	27 318	71 826	50 915	-1 269	89 000	405 733	82 847	322 870	44 895	277 989	406	278 397
1983	204 318	45 370	27 912	73 282	53 476	1 306	91 092	423 474	88 119	335 355	46 390	288 965	-300	288 665
1984	207 927	45 832	28 142	73 974	58 075	1 072	97 066	438 114	96 674	341 440	48 717	292 723	816	293 539
1985	215 267	45 976	28 019	73 995	60 283	569	102 782	452 896	99 166	353 730	49 522	304 208	527	304 735
1986	227 663	46 890	28 495	75 385	60 798	619	106 633	471 098	105 601	365 497	51 748	313 749	678	314 427
1987	240 504	46 183	29 877	76 060	64 243	943	112 432	494 182	113 314	380 868	54 702	326 166	1 677	327 843
	CAAB	DIAV	DIAW	DIAT	DECU	DGBA	DJDG	DIAU	DJDJ	DJDI	DIAS	DJDH	GIXS	CAOP
1983 Q2	50 761	11 393	6 977	18 370	13 072	236	22 369	104 808	21 728	83 080	11 551	71 529	376	71 905
Q3	51 586	11 315	6 925	18 240	13 179	585	22 710	106 300	22 165	84 135	11 563	72 572	-98	72 474
Q4	51 636	11 350	7 049	18 399	13 929	284	23 437	107 685	22 856	84 829	11 756	73 073	120	73 193
1984 Q1	51 512	11 229	7 103	18 332	14 406	341	23 829	108 420	22 925	85 495	12 070	73 425	-117	73 308
Q2	52 159	11 580	7 028	18 608	14 404	-184	23 596	108 583	23 979	84 604	12 270	72 334	460	72 794
Q3	51 778	11 412	7 036	18 448	14 570	89	24 281	109 166	24 433	84 733	12 137	72 596	651	73 247
Q4	52 478	11 611	6 975	18 586	14 695	826	25 360	111 945	25 337	86 608	12 240	74 368	-178	74 190
1985 Q1	53 173	11 552	6 978	18 530	15 832	-194	25 562	112 903	25 133	87 770	12 252	75 518	-243	75 275
Q2	53 159	11 396	7 041	18 437	14 756	603	25 997	112 952	24 484	88 468	12 257	76 211	168	76 379
Q3	54 246	11 467	6 942	18 409	14 917	318	25 312	113 202	24 436	88 766	12 518	76 248	221	76 469
Q4	54 689	11 561	7 058	18 619	14 778	-158	25 911	113 839	25 113	88 726	12 495	76 231	381	76 612
1986 Q1	55 743	11 730	7 112	18 842	14 901	367	25 844	115 697	25 150	90 547	12 660	77 887	44	77 931
Q2	56 862	11 776	6 984	18 760	14 843	193	26 444	117 102	25 687	91 415	12 854	78 561	-127	78 434
Q3	57 280	11 655	7 156	18 811	15 467	-458	26 524	117 624	27 095	90 529	12 997	77 532	734	78 266
Q4	57 778	11 729	7 243	18 972	15 587	517	27 821	120 675	27 669	93 006	13 237	79 769	27	79 796
1987 Q1	58 407	11 395	7 413	18 808	15 497	-119	27 868	120 461	26 300	94 161	13 242	80 919	-167	80 752
Q2	59 477	11 466	7 511	18 977	15 800	161	27 574	121 989	27 621	94 368	13 526	80 842	508	81 350
Q3	60 730	11 708	7 463	19 171	16 226	1 135	28 402	125 664	29 439	96 225	13 920	82 305	506	82 811
Q4	61 890	11 614	7 490	19 104	16 720	-234	28 588	126 068	29 954	96 114	14 014	82 100	830	82 930
1988 Q1	62 831	11 451	7 561	19 012	16 900	75	27 605	126 423	29 408	97 015	13 875	83 140	1 308	84 448
Q2	62 973	11 675	7 496	19 171	17 810	799	28 492	129 245	31 306	97 939	14 071	83 868	774	84 642
Q3	64 345	11 643	7 427	19 070	17 141	-112	28 340	128 784	33 077	95 707	14 205	81 502	4 143	85 645
Percentage change, quarter on corresponding quarter of previous year														
1983 Q2	*4.8*	*3.2*	*3.0*	*3.1*	*3.2*		*-0.6*	*2.9*	*2.3*	*3.1*	*3.6*	*3.0*		*3.2*
Q3	*5.0*	*2.3*	*1.5*	*1.9*	*0.8*		*3.0*	*5.2*	*6.7*	*4.8*	*3.1*	*5.1*		*4.1*
Q4	*3.7*	*1.6*	*1.4*	*1.5*	*6.2*		*4.5*	*5.6*	*12.5*	*3.9*	*3.2*	*4.0*		*4.2*
1984 Q1	*2.3*	*-0.7*	*2.0*	*0.3*	*8.3*		*5.6*	*3.6*	*7.3*	*2.6*	*4.8*	*2.3*		*3.1*
Q2	*2.8*	*1.6*	*0.7*	*1.3*	*10.2*		*5.5*	*3.6*	*10.4*	*1.8*	*6.2*	*1.1*		*1.2*
Q3	*0.4*	*0.9*	*1.6*	*1.1*	*10.6*		*6.9*	*2.7*	*10.2*	*0.7*	*5.0*	-		*1.1*
Q4	*1.8*	*2.3*	*-1.0*	*1.0*	*5.5*		*8.2*	*4.0*	*10.9*	*2.1*	*4.1*	*1.8*		*1.4*
1985 Q1	*3.2*	*2.9*	*-1.8*	*1.1*	*9.9*		*7.3*	*4.1*	*9.6*	*2.7*	*1.5*	*2.9*		*2.7*
Q2	*1.9*	*-1.6*	*0.2*	*-0.9*	*2.4*		*10.2*	*4.0*	*2.1*	*4.6*	*-0.1*	*5.4*		*4.9*
Q3	*4.8*	*0.5*	*-1.3*	*-0.2*	*2.4*		*4.2*	*3.7*	-	*4.8*	*3.1*	*5.0*		*4.4*
Q4	*4.2*	*-0.4*	*1.2*	*0.2*	*0.6*		*2.2*	*1.7*	*-0.9*	*2.4*	*2.1*	*2.5*		*3.3*
1986 Q1	*4.8*	*1.5*	*1.9*	*1.7*	*-5.9*		*1.1*	*2.5*	*0.1*	*3.2*	*3.3*	*3.1*		*3.5*
Q2	*7.0*	*3.3*	*-0.8*	*1.8*	*0.6*		*1.7*	*3.7*	*4.9*	*3.3*	*4.9*	*3.1*		*2.7*
Q3	*5.6*	*1.6*	*3.1*	*2.2*	*3.7*		*4.8*	*3.9*	*10.9*	*2.0*	*3.8*	*1.7*		*2.3*
Q4	*5.6*	*1.5*	*2.6*	*1.9*	*5.5*		*7.4*	*6.0*	*10.2*	*4.8*	*5.9*	*4.6*		*4.2*
1987 Q1	*4.8*	*-2.9*	*4.2*	*-0.2*	*4.0*		*7.8*	*4.1*	*4.6*	*4.0*	*4.6*	*3.9*		*3.6*
Q2	*4.6*	*-2.6*	*7.5*	*1.2*	*6.4*		*4.3*	*4.2*	*7.5*	*3.2*	*5.2*	*2.9*		*3.7*
Q3	*6.0*	*0.5*	*4.3*	*1.9*	*4.9*		*7.1*	*6.8*	*8.7*	*6.3*	*7.1*	*6.2*		*5.8*
Q4	*7.1*	*-1.0*	*3.4*	*0.7*	*7.3*		*2.8*	*4.5*	*8.3*	*3.3*	*5.9*	*2.9*		*3.9*
1988 Q1	*7.6*	*0.5*	*2.0*	*1.1*	*9.1*		*-0.9*	*4.9*	*11.8*	*3.0*	*4.8*	*2.7*		*4.6*
Q2	*5.9*	*1.8*	*-0.2*	*1.0*	*12.7*		*3.3*	*5.9*	*13.3*	*3.8*	*4.0*	*3.7*		*4.0*
Q3	*6.0*	*-0.6*	*-0.5*	*-0.5*	*5.8*		*-0.2*	*2.5*	*12.4*	*-0.5*	*2.0*	*-1.0*		*3.4*

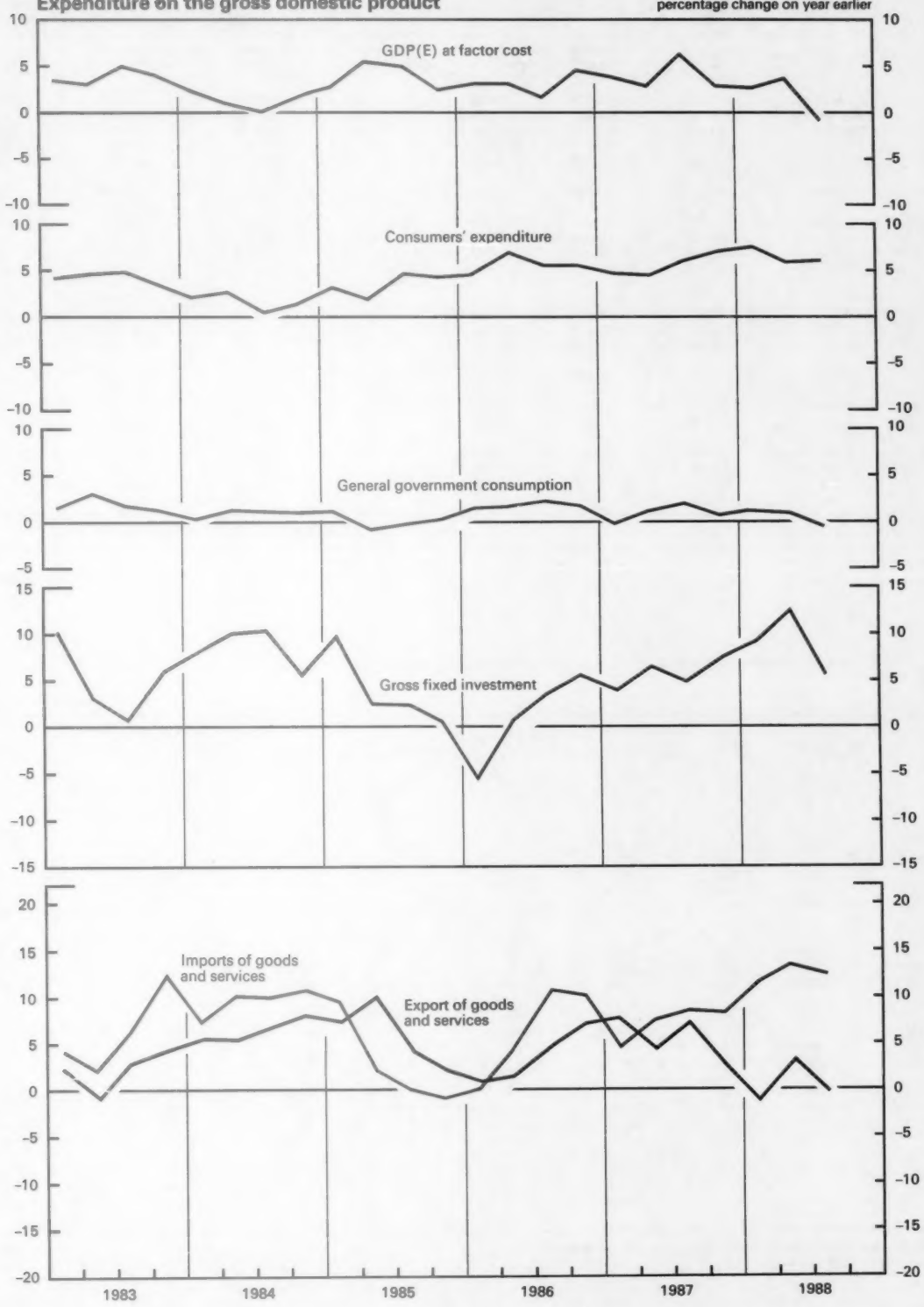
1 For years up to and including 1982, totals differ from the sum of the components because of the method used to rebase on 1985 prices.

2 Average estimates are made in seasonally adjusted form only. No equivalent unadjusted estimates exist.

Source: Central Statistical Office

Expenditure on the gross domestic product

1985 prices seasonally adjusted
percentage change on year earlier



4 Personal disposable income and consumption

	£ million, current prices					£ million, 1985 prices		
	Personal income before tax							
	Total[1]	of which: Wages, salaries and forces' pay	Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3] (percentage)+	Real personal disposable income[4] +	Real consumers' expenditure	Real personal disposable income at 1985 prices (1985=100)
	AIIQ	AIJB	AIIW	AIIX	AIIZ	CFAH	CAAB	CFAF
1984	279 352	155 117	220 950	197 494	*10.6*	232 622	207 927	97.7
1985	301 527	168 568	238 112	215 267	*9.6*	238 112	215 267	100.0
1986	324 979	182 621	256 072	237 644	*7.2*	245 317	227 663	103.0
1987	348 494	198 161	274 318	260 690	*5.0*	253 077	240 504	106.3
1984 Q4	72 076	40 205	57 120	50 772	*11.1*	59 042	52 478	99.2
1985 Q1	73 266	40 855	57 930	52 312	*9.7*	58 881	53 173	98.9
Q2	74 683	41 652	59 029	52 881	*10.4*	59 337	53 159	99.7
Q3	76 144	42 689	59 916	54 497	*9.0*	59 638	54 246	100.2
Q4	77 434	43 372	61 237	55 577	*9.2*	60 256	54 689	101.2
1986 Q1	79 157	44 362	62 222	57 364	*7.8*	60 460	55 743	101.6
Q2	80 704	45 299	63 674	58 912	*7.5*	61 455	56 862	103.2
Q3	81 609	46 017	64 468	60 091	*6.8*	61 449	57 280	103.2
Q4	83 509	46 943	65 708	61 277	*6.7*	61 953	57 778	104.1
1987 Q1	85 217	47 643	67 377	62 645	*7.0*	62 810	58 407	105.5
Q2	86 057	48 924	67 661	63 845	*5.6*	63 023	59 477	105.9
Q3	87 322	50 050	68 522	66 050	*3.6*	62 994	60 730	105.8
Q4	89 898	51 544	70 758	68 150	*3.7*	64 250	61 890	107.9
1988 Q1	92 622	52 790	72 865	69 884	*4.1*	65 511	62 831	110.1
Q2	92 813	53 736	72 743	71 207	*2.1*	64 331	62 973	108.1
Q3	94 851	54 978	74 773	73 832	*1.3*	65 165	64 345	109.5

1 Before providing for depreciation and stock appreciation.
2 Before providing for depreciation, stock appreciation and additions to tax reserves.
3 Personal savings as a percentage of personal disposable income.
4 Personal disposable income revalued by the implied consumers' expenditure deflator (1985 = 100).

Source: Central Statistical Office

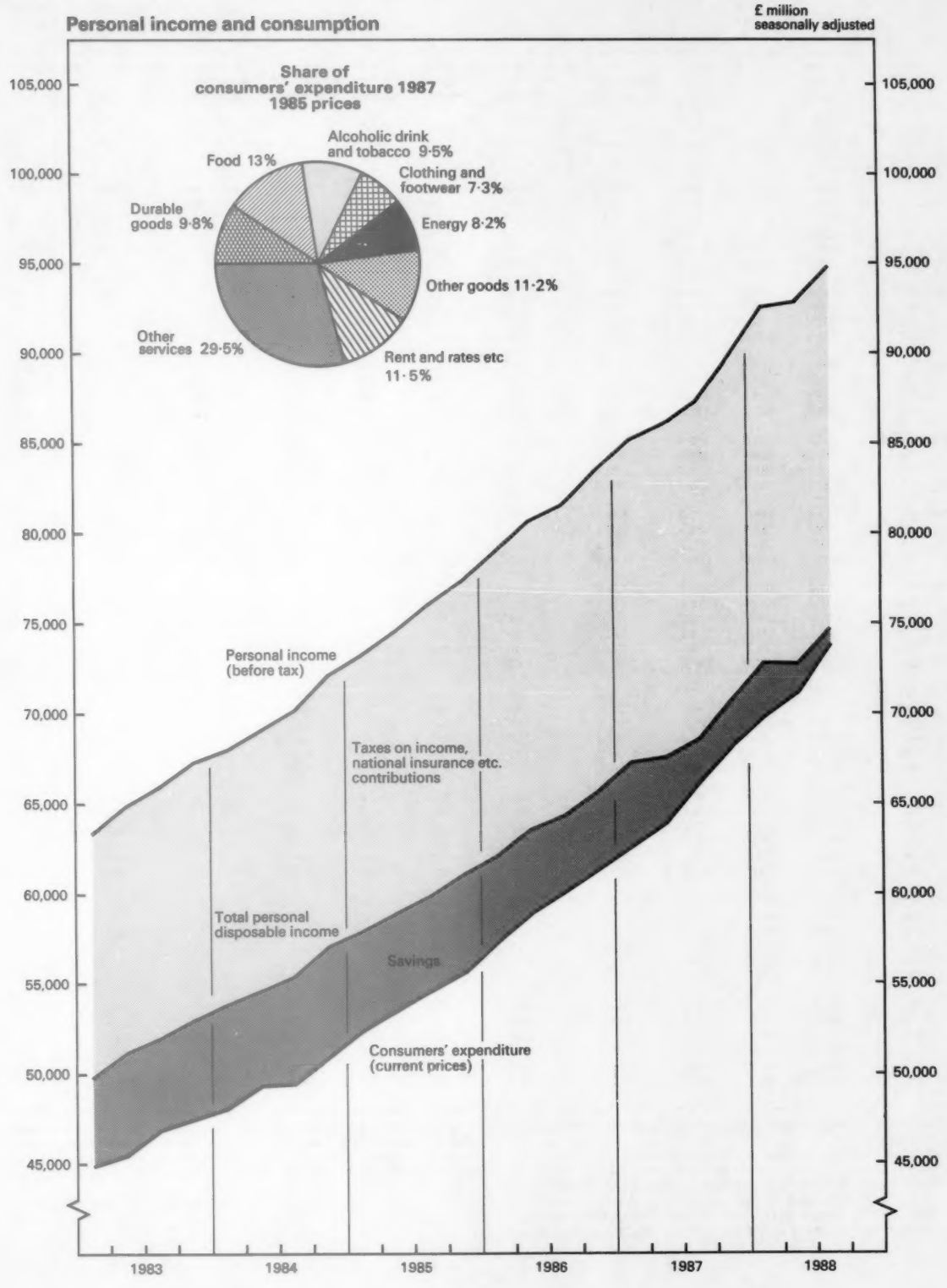
5 Real consumers' expenditure - component categories

£ million, 1985 prices

	Durable goods	Food	Alcoholic drink and tobacco	Clothing and footwear	Energy products	Other goods	Rent, rates and water charges	Other services[1]	Total
	CCBW	CCCA	FCCD	FCCE	CCCG	CCCM	CCCN	CCCJ	CAAB
1984	19 442	29 662	22 564	13 854	17 798	22 102	26 590	55 917	207 927
1985	20 370	30 064	22 657	14 812	18 629	23 233	26 922	58 580	215 267
1986	22 147	31 225	22 512	16 319	19 360	24 800	27 269	64 031	227 663
1987	23 682	31 330	22 790	17 477	19 652	26 966	27 633	70 974	240 504
1984 Q2	4 989	7 463	5 619	3 428	4 430	5 545	6 637	14 048	52 159
Q3	4 662	7 289	5 625	3 513	4 410	5 566	6 657	14 056	51 778
Q4	4 970	7 377	5 619	3 571	4 479	5 639	6 678	14 145	52 478
1985 Q1	5 012	7 422	5 667	3 646	4 573	5 679	6 699	14 475	53 173
Q2	4 993	7 498	5 639	3 709	4 626	5 761	6 720	14 213	53 159
Q3	5 210	7 581	5 646	3 732	4 724	5 857	6 740	14 756	54 246
Q4	5 155	7 563	5 705	3 725	4 706	5 936	6 763	15 136	54 689
1986 Q1	5 268	7 756	5 595	3 978	4 829	5 973	6 784	15 560	55 743
Q2	5 573	7 831	5 647	4 046	4 884	6 111	6 806	15 964	56 862
Q3	5 669	7 845	5 626	4 125	4 860	6 293	6 828	16 034	57 280
Q4	5 637	7 793	5 644	4 170	4 787	6 423	6 851	16 473	57 778
1987 Q1	5 641	7 674	5 610	4 174	4 878	6 484	6 874	17 072	58 407
Q2	5 834	7 779	5 706	4 324	4 804	6 678	6 896	17 456	59 477
Q3	6 087	7 952	5 723	4 444	4 891	6 854	6 920	17 859	60 730
Q4	6 120	7 925	5 751	4 535	5 079	6 950	6 943	18 587	61 890
1988 Q1	6 350	8 049	5 806	4 503	4 948	7 143	6 966	19 066	62 831
Q2	6 429	7 851	5 822	4 521	4 943	7 187	6 989	19 231	62 973
Q3	6 947	7 822	5 876	4 634	5 129	7 366	7 012	19 559	64 345

1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.

Source: Central Statistical Office


Personal income and consumption
£ million
seasonally adjusted
Share of
consumers' expenditure 1987
1985 prices
Alcoholic drink
and tobacco 9·5%
Food 13%
Clothing and
footwear 7·3%
Durable
goods 9·8%
Energy 8·2%
Other goods 11·2%
Other
services 29·5%
Rent and rates etc
11·5%
105,000
100,000
95,000
90,000
85,000
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
Personal income
(before tax)
Taxes on income,
national insurance etc.
contributions
Total personal
disposable income
Savings
Consumers' expenditure
(current prices)
1983
1984
1985
1986
1987
1988

6 Retail sales, new registrations of cars and credit business (Great Britain)

	Value of retail sales per week: total (average 1980=100)[1]	Volume of retail sales per week (average 1980=100)[1]						New registrations of cars+ (monthly average, thousands)	Consumer credit: change in total outstanding (£ million)	Credit business: changes in amounts outstanding[2] (£ million)	
		Total	Food retailers	Mixed retail businesses	Clothing and footwear retailers	Household goods retailers	Other non-food retailers			Agreements with consumers	Agreements with businesses
Sales in 1980 £ million	*58 377*	*58 377*	*22 859*	*10 945*	*5 413*	*9 234*	*9 926*				
	FAAL	FAAM	FAAN	FAAO	FAAP	FAAQ	FAAR	DKBY	AIKM	FSBN	FSBO
1984	138.2	111.3	106.9	111.2	119	126	103	147.3	3 094	1 551	748
1985	150.4	116.4	110.8	116.7	128	135	105	152.3	3 805	2 309	442
1986	162.9	122.6	114.4	123.6	137	150	107	156.8	4 500	2 385	822
1987	176.4	129.8	118.8	131.1	148	162	113	168.2	5 973	3 865	1 221
1988	193.7†	138.2†	125.0†	138.3†	156†	178†	121†	182.0†	..	..	..
1985 Q1	145.6	114.4	109.1	115.1	125	132	104	150.2	932	461	185
Q2	149.4	116.1	110.5	117.5	128	134	105	150.2	887	496	113
Q3	152.4	117.3	111.8	117.7	128	137	105	151.3	1 032	656	157
Q4	153.9	117.6	111.7	116.7	130	139	105	157.4	954	696	-13
1986 Q1	157.2	119.4	113.4	119.9	132	141	105	150.5	1 035	784	308
Q2	161.2	121.6	113.8	121.8	137	149	106	156.4	1 105	330	82
Q3	164.8	123.6	114.4	125.5	138	153	108	160.0	1 431	770	223
Q4	168.9	126.2	116.3	127.5	140	159	110	160.4	929	501	209
1987 Q1	169.4	125.5	116.7	127.2	141	154	109	157.9	1 182	977	105
Q2	174.3	128.8	118.0	129.3	147	162	113	161.8	1 606	1 068	393
Q3	178.7	131.5	119.7	132.5	150	166	115	177.5	1 517	874	396
Q4	183.1	133.3	120.9	135.5	153	168	117	175.8	1 668	946	327
1988 Q1	187.0	135.3	123.0	136.3	154	173	118	176.0	1 450	965†	387†
Q2	191.1	137.0	124.5	136.2	155	176	121	178.0	1 631	1 105	426
Q3	195.8	139.2	125.5	138.8	158	182	121	195.2	2 170	1 092	519
Q4	200.1†	140.8†	126.4†	141.4†	158†	182†	125†	178.7†	..	873	574
1986 Jul	162.9	122.4	113.8	122.9	134	151	108	157.1		195	93
Aug	164.7	123.4	114.1	126.3	138	152	107	163.0		247	48
Sep	166.4*	124.6*	115.0*	127.0*	141*	154*	108*	159.9		328	82
Oct	167.1	125.0	116.1	126.1	139	155	109	156.8		200	172
Nov	169.9	127.0	116.7	130.0	140	159	111	158.9		124	-32
Dec	169.5*	126.6*	116.2*	126.7*	142*	162*	110*	165.6		177	69
1987 Jan	167.0	123.6	117.5	124.9	140	145	107	158.5		299	24
Feb	171.2	126.9	116.4	128.8	142	159	111	161.8		315	45
Mar	170.0*	126.0*	116.2*	127.8*	140*	157*	110*	153.3		363	36
Apr	175.8	129.8	118.9	131.9	152	159	113	147.3		398	107
May	171.7	126.9	117.1	126.7	142	160	111	171.3		333	136
Jun	175.1*	129.4*	117.9*	129.4*	146*	165*	113*	166.8		337	150
Jul	177.4	130.8	118.8	133.6	151	164	114	161.4		277	98
Aug	178.6	131.6	119.7	131.5	151	167	115	173.1		250	173
Sep	179.8*	132.0*	120.4*	132.5*	149*	168*	116*	198.0		347	125
Oct	181.9	133.0	120.8	136.5	155	166	114	168.8		340	26
Nov	183.4	133.5	120.4	137.3	153	168	117	175.9		357	217
Dec	183.8*	133.4*	121.2*	133.3*	152*	169*	118*	182.6		296†	109†
1988 Jan	186.3	135.0	122.9	136.7	152	170	119	181.0		264	92
Feb	187.1	135.4	122.9	135.6	157	172	118	171.7		311	140
Mar	187.5*	135.4*	123.1*	136.6*	153*	175*	116*	175.2		390	155
Apr	189.5	136.3	124.3	135.4	152	174	121	166.1		313	124
May	191.9	137.7	124.6	135.7	157	178	122	193.4		363	165
Jun	191.7*	137.0*	124.6*	137.2*	155*	175*	120*	174.5		429	137
Jul	195.9	140.0	125.3	138.9	158	188	121	176.2		345	195
Aug	196.2	139.5	125.8	139.6	156	182	122	199.8		471	217
Sep	195.4*	138.4*	125.4*	137.9*	160*	178*	120*	209.6		276	107
Oct	200.2	141.2	126.9	142.0	159	184	123	168.4		186	60
Nov	199.8	140.4	125.5	141.8	159	182	125	182.2		392	435
Dec	200.4*	140.8*	126.7*	140.5*	157*	182*	127*	185.6†		295	79

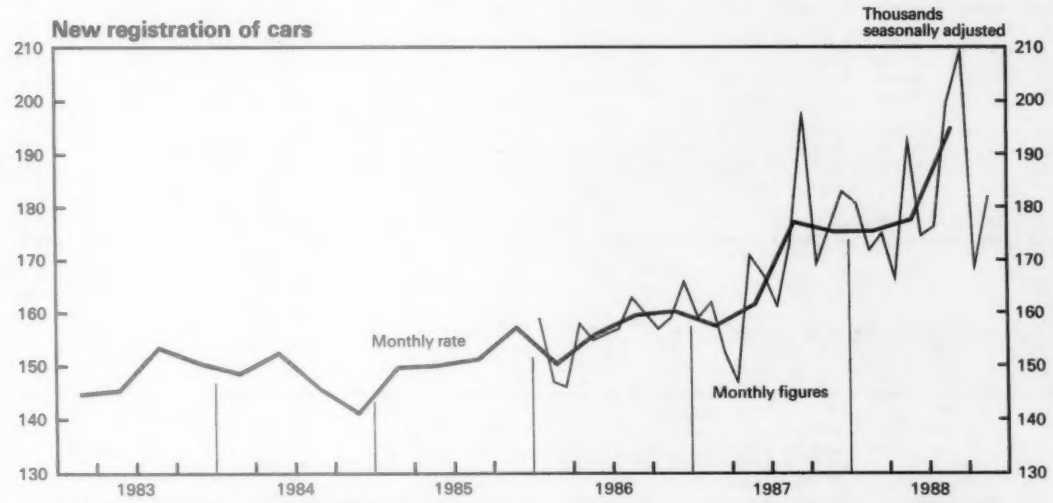
1 The series has been revised to take account of updated seasonal adjustment factors.

2 Changes in amounts outstanding to finance houses, other specialist credit grantors, selected kinds of retailers and on bank credit cards. Unsecured loans by building societies permitted under the terms of the *Building Societies Act 1986* are included from the beginning of 1987. Loans by retailers, building societies and on bank credit cards are all treated as consumer agreements. There is a break at the end of 1985. Before this, loans on bank credit cards and agreements block discounted with finance houses and other specialist credit grantors were excluded. Loans to consumers by finance houses and other specialist credit grantors covered agreements regulated under the *Consumer Credit Act 1974* and loans to business covered other agreements.

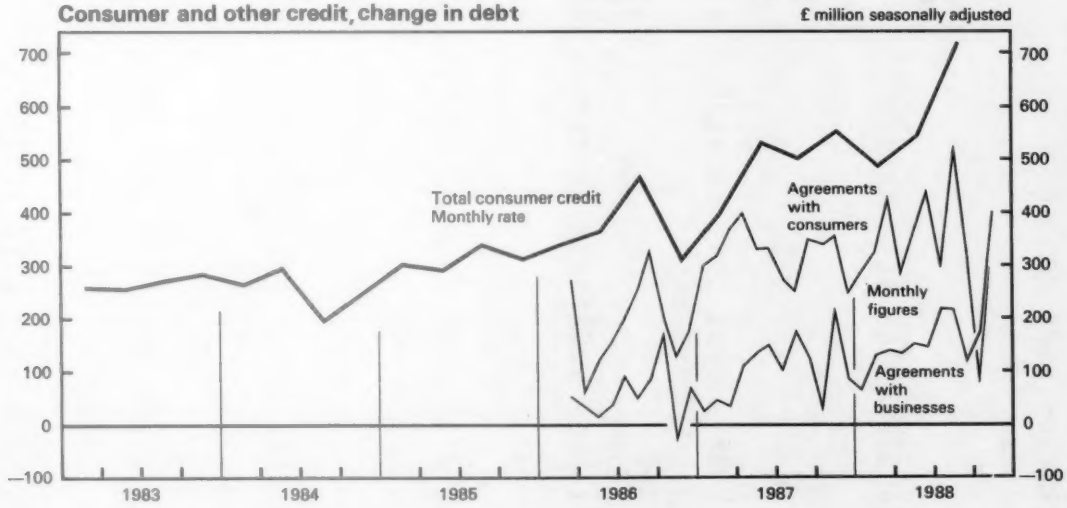
Sources: Department of Trade and Industry; Department of Transport

Volume of total retail sales

New registration of cars



Consumer and other credit, change in debt



7 Gross domestic product and shares of income and expenditure

	Gross domestic product at current factor cost		Total final expenditure (current market prices)	Percentage share of total final expenditure						Percentage share of gross domestic product (income-based)				
						Gross fixed investment					Gross trading profits[1]			
	Expenditure-based (£ mn)	Income-based (£ mn)		Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Income from employment	Companies	Other[2]	Income from self-employment[1]	Other income[3]
	DJBA	DJBE	DIAB	FBBD	FBBE	FBBF	FBBG	FBBH	FBBI	FBBJ	FBBK	FBBL	FBBM	FBBN
1983	260 027	260 925	381 113	48.5	17.3	1.5	2.1	9.2	21.1	65.0	13.9	3.8	9.2	8.1
1984	277 988	278 452	416 023	47.5	16.8	1.5	1.8	9.9	22.2	64.6	14.8	2.9	9.6	8.1
1985	304 208	305 262	452 896	47.5	16.3	1.5	1.3	10.6	22.7	63.8	16.6	2.4	9.1	8.0
1986	322 062	324 007	480 216	49.5	16.6	1.5	1.1	10.6	20.5	64.7	15.4	2.5	9.3	8.1
1987	351 413	354 379	525 788	49.6	16.3	1.3	0.9	11.3	20.5	63.8	17.3	1.8	9.2	7.9
													FBBO	
1984 Q4	72 265	71 958	109 041	46.5	16.6	1.5	1.6	10.0	22.9	64.6	15.5	2.3	17.6	
1985 Q1	74 361	73 894	112 393	46.5	16.3	1.3	1.4	11.2	23.3	63.9	16.9	1.7	17.3	
Q2	75 521	75 850	112 598	46.9	16.2	1.5	1.3	10.2	23.5	63.5	17.1	2.4	17.1	
Q3	76 667	77 135	113 203	48.2	16.3	1.5	1.2	10.5	22.0	63.9	16.3	2.9	17.0	
Q4	77 659	76 383	114 702	48.4	16.5	1.5	1.1	10.5	22.0	63.7	17.0	2.4	17.0	
1986 Q1	79 271	80 087	117 212	48.9	16.7	1.5	1.2	10.4	21.0	63.7	16.5	2.6	17.2	
Q2	80 050	80 124	118 379	49.8	16.6	1.5	1.2	10.4	20.3	64.9	15.0	2.7	17.4	
Q3	79 880	80 845	119 875	50.1	16.7	1.4	1.1	11.0	20.0	65.3	14.8	2.3	17.7	
Q4	82 861	82 951	124 750	49.1	16.4	1.4	1.1	10.7	20.8	64.8	15.3	2.4	17.5	
1987 Q1	85 189	85 383	126 139	49.7	16.4	1.4	1.0	10.7	20.8	63.8	17.0	1.8	17.3	
Q2	86 350	87 337	128 804	49.6	16.4	1.3	0.7	11.4	20.5	63.9	17.2	1.7	17.1	
Q3	89 477	90 405	134 756	49.0	16.2	1.2	0.9	11.4	20.5	63.1	18.2	1.8	16.9	
Q4	90 397	91 254	136 089	50.1	16.3	1.3	0.9	11.7	20.0	64.3	16.9	1.8	17.0	
1988 Q1	92 087	94 615	137 409	50.9	16.1	1.3	0.8	12.0	18.8	63.5	18.0	1.7	16.9	
Q2	94 723	95 473	142 624	49.9	15.9	1.1	0.8	12.6	19.1	64.0	17.1	1.9	17.0	
Q3	94 911	98 789	145 196	50.8	15.7	1.1	0.8	12.3	19.4	63.2	18.2	1.9	16.8	

1 After providing for stock appreciation.
2 Gross trading surplus of public corporations and general government enterprises.
3 Rent income, and imputed charge for consumption of non-trading capital.

Source: Central Statistical Office

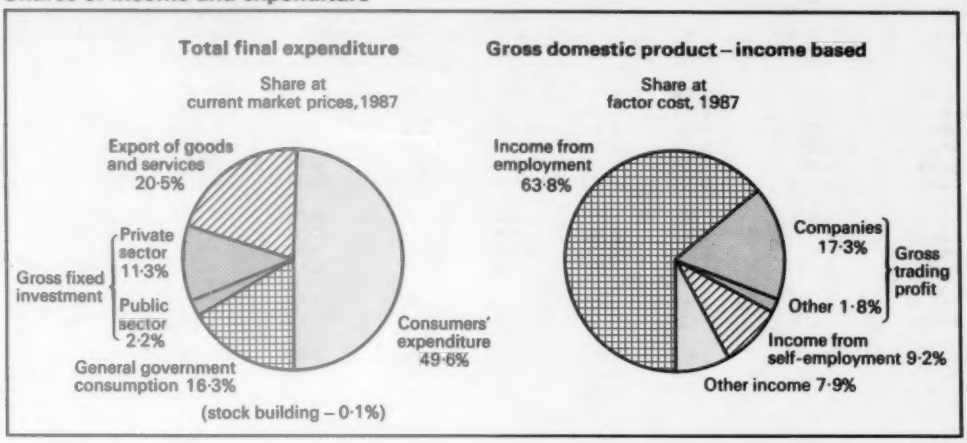
8 Income, product and spending per capita

£

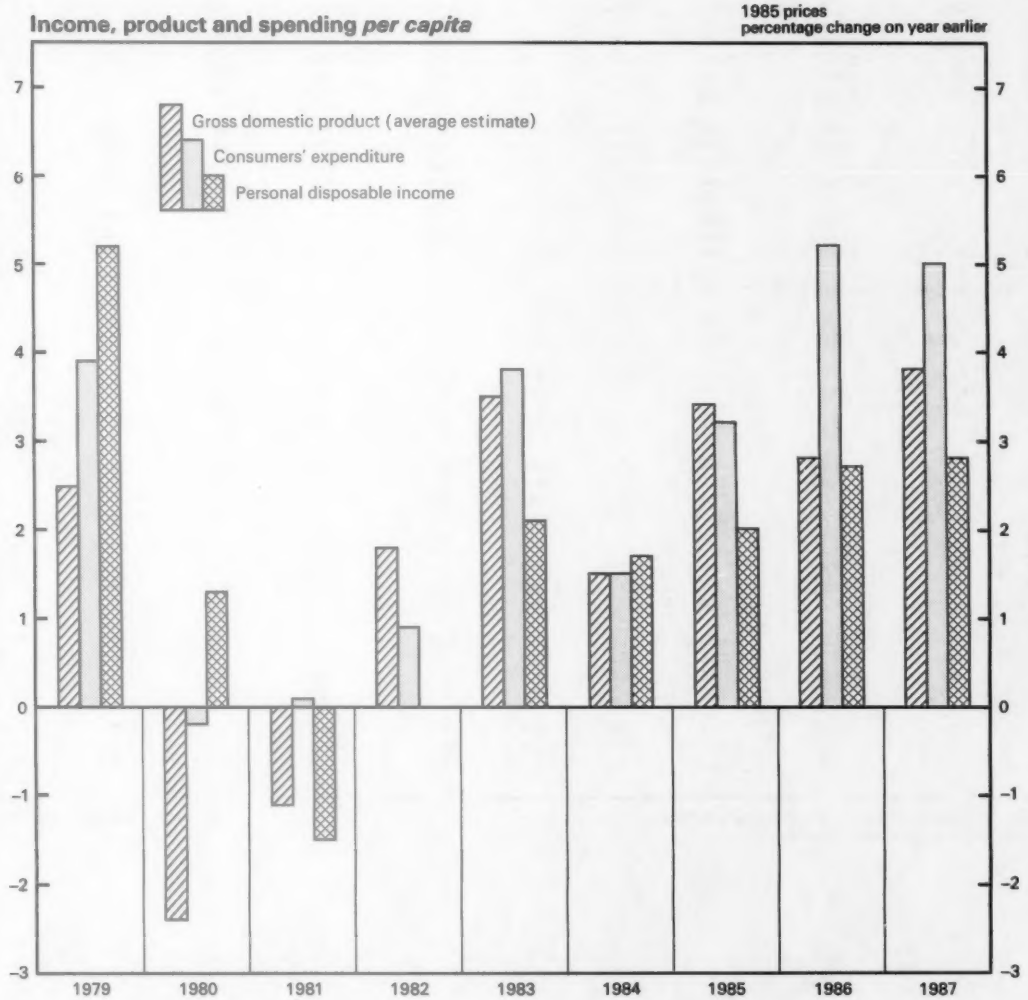
	At current prices				At 1985 prices		
	Average estimate						
	Gross national product at factor cost	Gross domestic product at factor cost	Consumers' expenditure	Personal disposable income	Gross domestic product at factor cost (average estimate)	Consumers' expenditure	Personal disposable income
	CAQA	CAQB	FBCC	FBCD	CAQC	FBCF	FBCH
1983	4 660	4 609	3 276	3 658	5 122	3 626	4 049
1984	5 021	4 942	3 497	3 913	5 199	3 683	4 120
1985	5 431	5 382	3 802	4 206	5 383	3 802	4 206
1986	5 775	5 686	4 186	4 510	5 538	4 011	4 321
1987	6 300	6 205	4 579	4 819	5 759	4 224	4 445
	CAQA	CAQB	FBCC	FBCD	CAQC	FBCF	CAIU
1984 Q4	1 307	1 277	898	1 011	1 313	929	1 045
1985 Q1	1 327	1 311	925	1 024	1 331	940	1 041
Q2	1 350	1 338	934	1 043	1 349	939	1 048
Q3	1 369	1 355	962	1 058	1 351	958	1 053
Q4	1 385	1 378	981	1 081	1 352	965	1 063
1986 Q1	1 417	1 399	1 012	1 097	1 374	983	1 066
Q2	1 430	1 406	1 038	1 122	1 382	1 002	1 083
Q3	1 445	1 420	1 058	1 135	1 378	1 009	1 082
Q4	1 483	1 459	1 078	1 156	1 404	1 017	1 090
1987 Q1	1 522	1 495	1 101	1 185	1 420	1 027	1 104
Q2	1 550	1 526	1 122	1 189	1 429	1 045	1 107
Q3	1 605	1 581	1 160	1 203	1 454	1 066	1 106
Q4	1 623	1 603	1 196	1 242	1 456	1 086	1 128
1988 Q1	1 663	1 642	1 227	1 279	1 482	1 103	1 150
Q2	1 706	1 678	1 250	1 276	1 485	1 105	1 129
Q3	1 757	1 735	1 295	1 311	1 502	1 129	1 143

Source: Central Statistical Office

Shares of income and expenditure



Income, product and spending *per capita*



9 Gross domestic fixed capital formation

£ million, 1985 prices

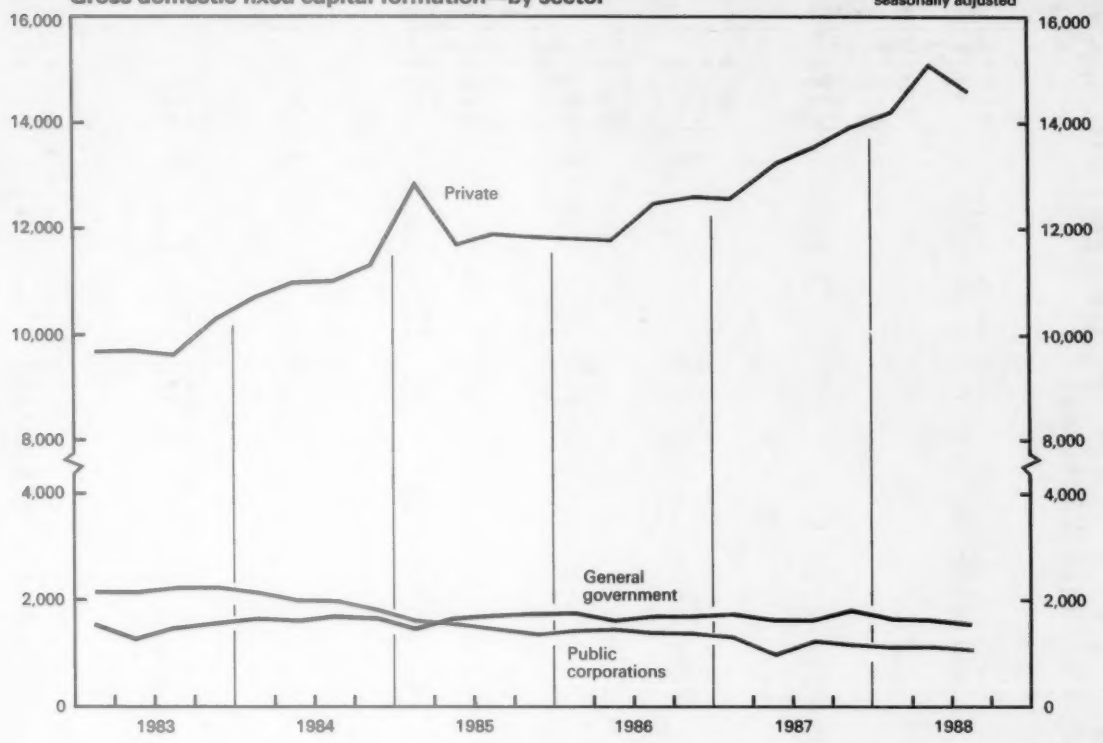
	Analysed by sector[1]			Analysed by type of asset						
				Dwellings						
	Private sector	General government	Public corporations	Private	Public	Total	Other new building and works[2]	Vehicles, ships and aircraft	Plant and machinery	Total gross domestic fixed capital formation
	DFEB	DFED	DFDA	DFEA	DFEC	DFEG	DFCV	DEBP	DEBO	DECU
1979	40 268	7 349	8 677	9 665	3 615	13 363	16 172	7 514	19 736	56 450
1980	38 577	6 290	8 491	9 134	3 198	12 379	15 335	6 296	19 660	53 416
1981	35 990	4 632	7 775	8 149	2 155	10 247	14 860	4 895	18 269	48 298
1982	38 892	4 313	7 906	8 680	2 282	10 899	16 377	5 028	18 478	50 915
1983	39 085	5 901	8 490	9 323	2 924	12 247	16 651	5 177	19 401	53 476
1984	43 845	6 605	7 625	9 746	2 825	12 571	18 135	6 107	21 262	58 075
1985	48 043	6 584	5 656	9 392	2 536	11 928	18 178	6 433	23 744	60 283
1986	48 451	6 949	5 398	10 176	2 622	12 798	18 355	5 623	24 022	60 798
1987	53 080	6 747	4 416	10 787	2 658	13 445	19 115	6 078	25 605	64 243
1983 Q3	9 582	1 480	2 137	2 302	723	3 025	4 090	1 240	4 824	13 179
Q4	10 200	1 578	2 151	2 429	748	3 177	4 349	1 405	4 998	13 929
1984 Q1	10 679	1 631	2 096	2 653	725	3 378	4 478	1 539	5 011	14 406
Q2	10 912	1 603	1 889	2 467	700	3 167	4 606	1 362	5 269	14 404
Q3	10 976	1 704	1 890	2 373	722	3 095	4 479	1 553	5 443	14 570
Q4	11 278	1 667	1 750	2 253	678	2 931	4 572	1 653	5 539	14 695
1985 Q1	12 815	1 485	1 532	2 300	647	2 947	4 514	2 144	6 227	15 832
Q2	11 626	1 681	1 469	2 370	622	2 992	4 670	1 466	5 828	14 756
Q3	11 836	1 709	1 372	2 357	652	3 009	4 499	1 469	5 940	14 917
Q4	11 766	1 729	1 283	2 365	615	2 980	4 495	1 354	5 949	14 778
1986 Q1	11 756	1 785	1 360	2 231	703	2 934	4 516	1 422	6 029	14 901
Q2	11 707	1 757	1 379	2 495	620	3 115	4 481	1 385	5 862	14 843
Q3	12 434	1 698	1 335	2 667	621	3 288	4 681	1 410	6 088	15 467
Q4	12 554	1 709	1 324	2 783	678	3 461	4 677	1 406	6 043	15 587
1987 Q1	12 505	1 750	1 242	2 700	683	3 383	4 695	1 375	6 044	15 497
Q2	13 244	1 639	917	2 619	663	3 282	4 556	1 539	6 423	15 800
Q3	13 482	1 583	1 161	2 889	620	3 509	4 725	1 574	6 418	16 226
Q4	13 849	1 775	1 096	2 579	692	3 271	5 139	1 590	6 720	16 720
1988 Q1	14 175	1 674	1 051	2 907	636	3 543	5 124	1 483	6 750	16 900
Q2	15 082	1 649	1 079	3 203	680	3 883	5 201	1 657	7 069	17 810
Q3	14 534	1 589	1 018	3 132	664	3 796	4 949	1 643	6 753	17 141
Percentage change, quarter on corresponding quarter of previous year										
1983 Q3	*-4.8*	*33.1*	*8.3*	*3.0*	*30.0*	*9.2*	*-2.9*	*-11.0*	*3.4*	*0.8*
Q4	*3.3*	*27.8*	*3.6*	*9.4*	*12.7*	*10.4*	*2.3*	*11.1*	*6.7*	*6.2*
1984 Q1	*10.8*	*5.4*	*-0.7*	*14.7*	*-8.3*	*8.8*	*7.4*	*23.4*	*4.9*	*8.3*
Q2	*12.7*	*23.8*	*-9.7*	*8.2*	*5.7*	*7.7*	*13.9*	*6.0*	*9.7*	*10.2*
Q3	*14.8*	*15.1*	*-11.6*	*3.1*	*-0.1*	*2.3*	*9.5*	*25.2*	*12.8*	*10.6*
Q4	*10.6*	*5.6*	*-18.6*	*-7.2*	*-9.4*	*-7.7*	*5.1*	*17.7*	*10.8*	*5.5*
1985 Q1	*20.0*	*-9.0*	*-26.9*	*-13.3*	*-10.8*	*-12.8*	*0.8*	*39.3*	*24.3*	*9.9*
Q2	*6.5*	*3.6*	*-22.2*	*-3.9*	*-11.1*	*-5.5*	*1.4*	*7.6*	*6.8*	*2.4*
Q3	*7.8*	*0.3*	*-27.4*	*-0.7*	*-9.7*	*-2.8*	*0.4*	*-5.4*	*9.1*	*2.4*
Q4	*4.3*	*3.7*	*-26.7*	*5.0*	*-9.3*	*1.7*	*-1.7*	*-18.1*	*7.4*	*0.6*
1986 Q1	*-8.3*	*20.2*	*-11.2*	*-3.0*	*8.7*	*-0.4*	*-*	*-33.7*	*-3.2*	*-5.9*
Q2	*0.7*	*5.8*	*-6.1*	*5.3*	*-0.3*	*4.1*	*-4.0*	*-5.5*	*4.2*	*0.6*
Q3	*5.1*	*-0.6*	*-2.7*	*13.2*	*-4.8*	*9.3*	*4.0*	*-4.0*	*2.5*	*3.7*
Q4	*6.7*	*-1.2*	*3.2*	*17.7*	*10.2*	*16.1*	*4.0*	*3.8*	*1.6*	*5.5*
1987 Q1	*6.4*	*-2.0*	*-8.7*	*21.0*	*-2.8*	*15.3*	*4.0*	*-3.3*	*0.2*	*4.0*
Q2	*13.1*	*-6.7*	*-33.5*	*5.0*	*6.9*	*5.4*	*1.7*	*11.1*	*9.6*	*6.4*
Q3	*8.4*	*-6.8*	*-13.0*	*8.3*	*-0.2*	*6.7*	*0.9*	*11.6*	*5.4*	*4.9*
Q4	*10.3*	*3.9*	*-17.2*	*-7.3*	*2.1*	*-5.5*	*9.9*	*13.1*	*11.2*	*7.3*
1988 Q1	*13.4*	*-4.3*	*-15.4*	*7.7*	*-6.9*	*4.7*	*9.1*	*7.9*	*11.7*	*9.1*
Q2	*13.9*	*0.6*	*17.7*	*22.3*	*2.6*	*18.3*	*14.2*	*7.7*	*10.1*	*12.7*
Q3	*7.8*	*0.4*	*-12.3*	*8.4*	*7.1*	*8.2*	*4.7*	*4.4*	*5.2*	*5.6*

1 Including purchases *less* sales of land and existing buildings.
2 Including transfer costs of land and buildings.

Source: Central Statistical Office

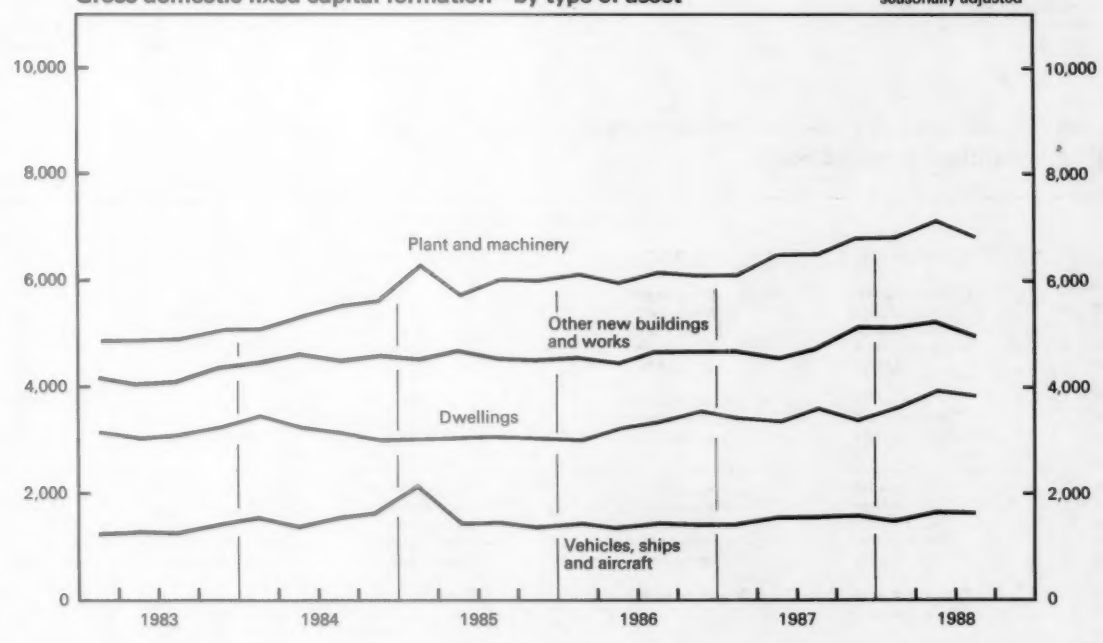
Gross domestic fixed capital formation—by sector

£ million 1985 prices seasonally adjusted



Gross domestic fixed capital formation—by type of asset

£ million 1985 prices seasonally adjusted



10 Indicators of fixed investment by manufacturing industry

	Gross fixed investment by manufacturing industry (excluding leased assets)							New orders received by contractors for private industrial work(GB) (£ million, 1985 prices)
	Plant and machinery			New building and works				
	Gross fixed investment		CBI Intentions Inquiry: balance[1] (NSA)	Gross fixed investment		CBI Intentions Inquiry: balance[1] (NSA)	Total+ (£ million, 1985 prices)	
	Total (£ million, 1985 prices)	Change on year earlier (percentage)		Total (£ million, 1985 prices)	Change on year earlier (percentage)			
	DFQP		FBAD	DFQQ		FBAG	DECV	DPBT
1979	7 714	*4.4*		1 417	*2.2*		10 136	2 389
1980	6 885	*-10.7*		1 143	*-19.3*		8 761	1 923
1981	5 165	*-25.0*		834	*-27.0*		6 579	1 718
1982	5 062	*-2.0*		714	*-14.4*		6 360	1 455
1983	5 196	*2.6*		634	*-11.2*		6 422	1 723
1984	6 232	*19.9*		929	*46.5*		7 810	2 426
1985	7 029	*12.8*		1 110	*19.5*		8 735	2 149
1986	6 911	*-1.7*		1 006	*-9.4*		8 478	2 088
1987	7 290	*5.5*		1 214	*20.7*		9 090	3 463[2]
	DFQP		FBAD	DFQQ		FBAG	DECV	DPBT
1985 Q1	1 737	*18.5*	*11*	301	*46.8*	*-8*	2 192	524
Q2	1 736	*15.0*	*14*	299	*31.1*	*-3*	2 177	654
Q3	1 758	*11.4*	*-*	256	*12.3*	*-21*	2 161	484
Q4	1 800	*7.1*	*4*	254	*-5.2*	*-21*	2 205	486
1986 Q1	1 807	*4.0*	*2*	227	*-24.6*	*-16*	2 178	492
Q2	1 653	*-4.8*	*10*	204	*-31.8*	*-15*	2 001	506
Q3	1 762	*0.3*	*5*	270	*5.5*	*-15*	2 181	593
Q4	1 689	*-6.2*	*8*	305	*20.1*	*-13*	2 118	497
1987 Q1	1 656	*-8.4*	*10*	271	*19.4*	*-10*	2 074	637
Q2	1 823	*10.3*	*13*	335	*64.2*	*-3*	2 302	578
Q3	1 877	*6.5*	*20*	313	*15.9*	*1*	2 334	1 722[2]
Q4	1 934	*14.5*	*17*	295	*-3.3*	*-3*	2 380	526
1988 Q1	1 938	*17.0*	*20*	293	*8.1*	*1*	2 385	700
Q2	2 143	*17.8*	*32*	310	*-7.5*	*6*	2 609	628
Q3	2 038	*8.6*	*19*	323	*3.2*	*-6*	2 516	625
Q4	..	..	*21*	..	..	*-4*	..	..
1989 Q1	..	..	*21*	..	..	*-9*	..	..

1 Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
2 Includes the Channel Tunnel project.

Sources: Department of Trade and Industry; Central Statistical Office; Confederation of British Industry; Department of the Environment

11 Department of Trade and Industry inquiry into investment intentions: manufacturing industry[1]

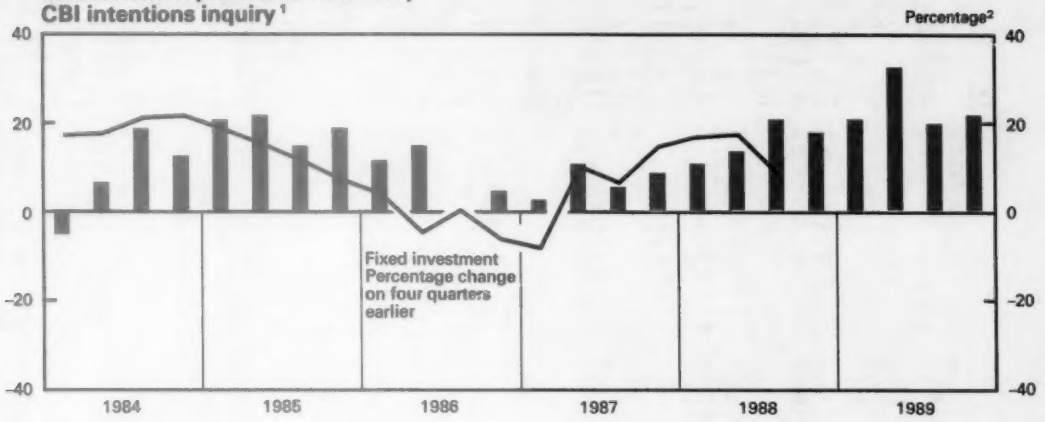
Percentage change over previous year, in volume terms

	Gross fixed investment (excluding leased assets)				
	First December forecast	First June forecast	Second December forecast	Second June forecast	Actual
1976	Further reduction	Little change	-5 to -8	About -6	-5
1977	Large increase	Of order of +15	+10 to +15	+8 to + 10	+5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+7
1979	Rise, less than +8	Rise, less than +8	+4 to +8	+2 to +5	+4
1980	Slight fall	Slight fall	-6 to -10	-8 to -12	-14
1981	Further fall	Fall of up to 8 to 12	-15 to -20	-15 to -18	-25
1982	Some recovery	Some recovery	-1 to -3	-3 to -5	-3
1983	Appreciable increase	Rise, around 5	Fall, up to 5	Fall, around 4	+2
1984	No recovery	Slow growth	Rise, around 10	About +12	+20
1985	Little change	Rise, around 6	About +7	Around +9	+12
1986	Slight fall	Slight fall	Rise, around 4	About +6	-2
1987	Little change	Small increase	Rise, around 3	About +6	+7
1988	Further rise	Further increase	Rise, around 12	Rise, around 15	+10
1989	Smaller increase	Smaller increase	Rise, around 11		
1990	Smaller increase				

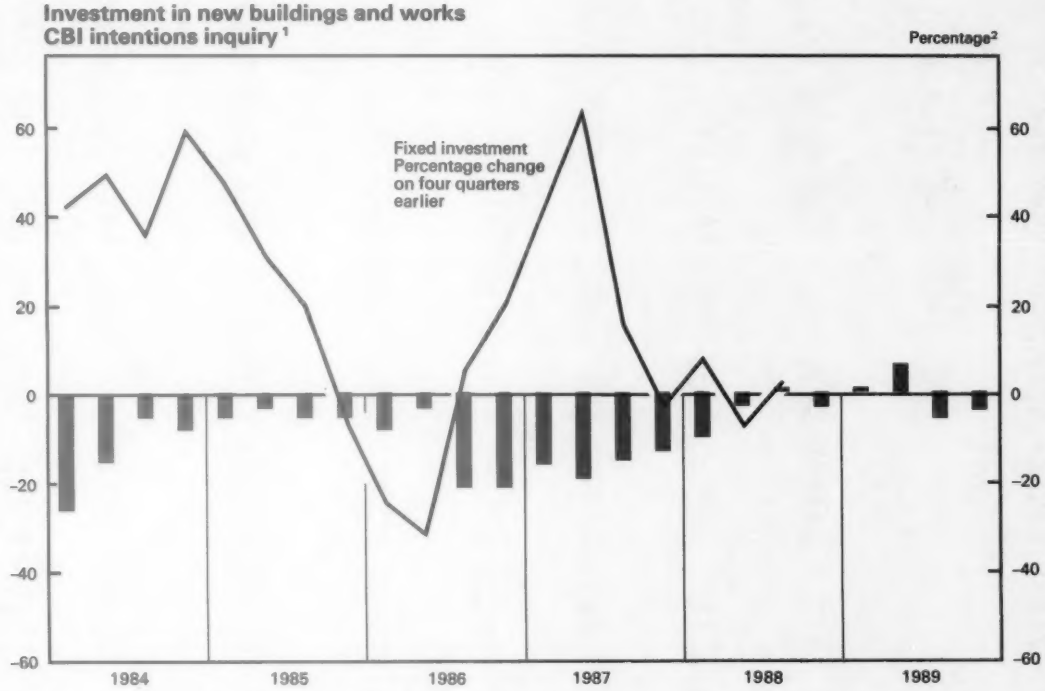
1 The figures in this table relate to manufacturing industry defined as Orders III to XIX, Standard Industrial Classification (1968) for 1983 and earlier years, and as Divisions 2 to 4, Standard Industrial Classification (1980) for 1984 onwards.

Source: Department of Trade and Industry

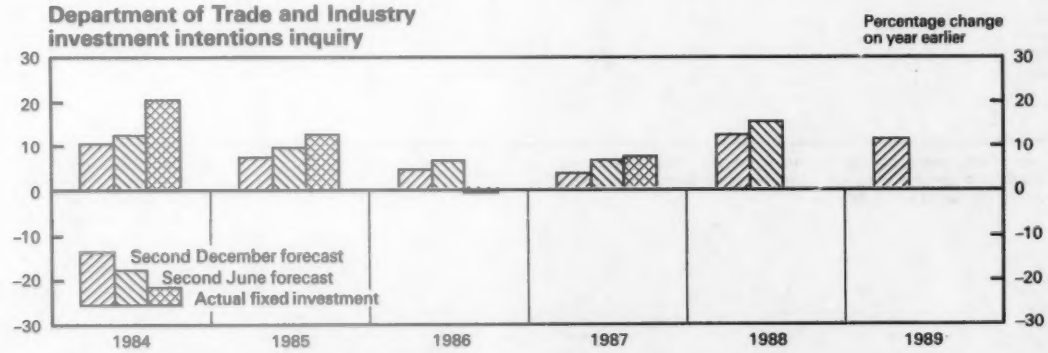
Investment in plant and machinery
CBI intentions inquiry [1]



Investment in new buildings and works
CBI intentions inquiry [1]



Department of Trade and Industry
investment intentions inquiry



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage change in fixed investment

[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

12 Indicators of fixed investment in dwellings

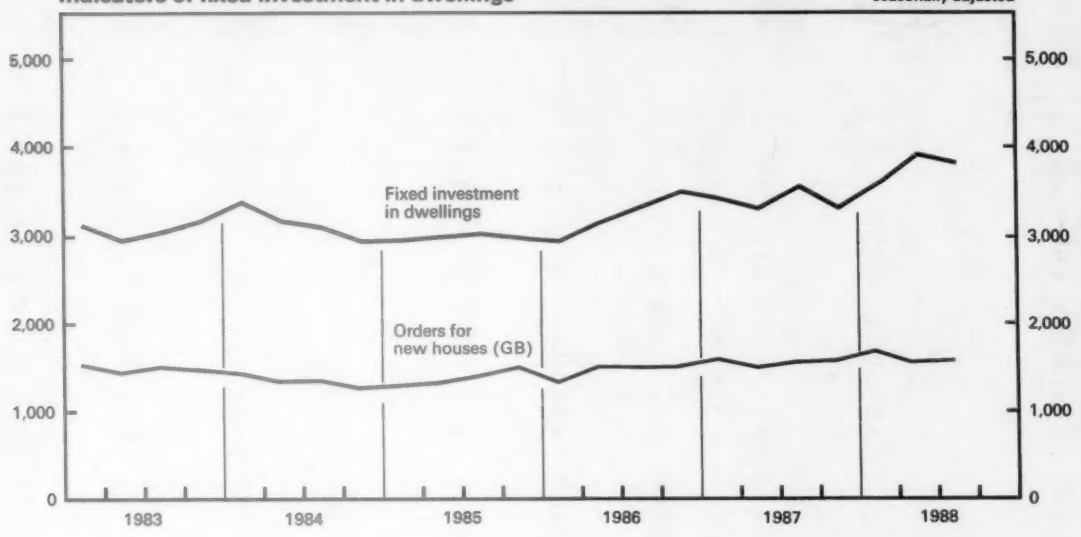
	Fixed investment in dwellings (£ million, 1985 prices)	Orders received by contractors for new houses (GB) (£ million, 1985 prices)	Housing starts (GB)+		Housing completions (GB)+		Building societies		Average price of new dwellings: mortgages approved[1] (NSA)
			Private sector (thousands)	Public sector (thousands)	Private sector (thousands)	Public sector (thousands)	Commitments on new dwellings (£ million, current prices)	Advances on new dwellings (£ million, current prices)	
	DFEG	FCAS	FCAT	FCAU	FCAV	FCAW	AHLO	AHLS	FCAY
1982	10 899	4 762	140.8	52.9	124.8	50.2	1 931	1 716	28 508
1983	12 247	4 686	171.1	48.8	146.1	50.9	2 419	2 330	31 678
1984	12 571	4 293	156.9	39.9	157.2	50.7	2 960	2 900	34 160
1985	11 928	5 290	162.8	34.2	152.1	40.0	2 963	2 900	37 304
1986	12 798	5 642	176.1	33.0	163.2	34.8	3 626	3 517	43 647
1987	13 445	6 010	191.3	31.7	170.7	32.1	3 702	3 488	51 290
1988	..	..	213.1†	29.1†	182.2†	30.7†	4 831†	4 696†	..
1983 Q3	3 025	1 438	40.7	9.8	36.0	13.0	586	584	32 245
Q4	3 177	1 412	42.8	12.0	38.3	13.1	679	622	32 096
1984 Q1	3 378	1 389	40.7	12.4	40.0	12.5	732	684	33 086
Q2	3 167	1 298	39.7	10.2	37.6	13.1	814	725	34 345
Q3	3 095	1 299	38.6	9.3	40.5	12.0	707	763	34 906
Q4	2 931	1 219	37.9	8.0	39.1	12.3	727	728	34 338
1985 Q1	2 947	1 233	37.3	8.5	37.9	11.3	713	709	35 658
Q2	2 992	1 270	40.8	8.5	39.0	10.5	680	715	36 556
Q3	3 009	1 347	41.3	8.4	36.9	9.4	740	700	37 625
Q4	2 980	1 439	43.4	8.8	38.3	8.8	830	776	39 458
1986 Q1	2 934	1 290	41.2	8.1	38.5	9.0	815	802	40 470
Q2	3 115	1 460	43.7	7.9	40.1	9.1	1 007	868	43 443
Q3	3 288	1 441	46.7	8.8	41.3	8.1	975	929	45 065
Q4	3 461	1 450	44.5	8.2	43.1	6.6	829	918	45 749
1987 Q1	3 383	1 537	47.6	8.1	42.5	7.6	813	832	47 460
Q2	3 282	1 448	45.5	8.3	42.8	8.4	882	837	49 604
Q3	3 509	1 501	48.1	7.6	43.1	6.2	974	886	52 428
Q4	3 271	1 525	50.1	7.7	42.3	7.9	1 033	933	55 474
1988 Q1	3 543	1 624	54.6†	7.4†	47.6†	7.8†	1 257	1 113	60 395
Q2	3 883	1 492	53.0	6.9	44.5	7.9	1 338	1 180	63 342
Q3	3 796	1 512	50.1	7.4	46.3	7.8	1 236	1 279	67 425
Q4	..	..	55.4	7.4	43.8	7.2	1 000†	1 124†	..
1987 Mar		452	15.8	2.7	14.4	2.3	279	279	48 127
Apr		478	14.8	2.7	14.3	2.8	292	282	49 046
May		494	16.4	2.8	14.4	2.8	288	276	49 973
Jun		475	14.3	2.8	14.1	2.8	302	279	49 797
Jul		546	15.3	2.4	14.4	2.9	330	288	51 786
Aug		474	16.2	2.5	14.6	2.5	324	296	52 898
Sep		481	16.8	2.7	14.1	2.8	320	302	52 635
Oct		482	14.7	2.5	14.2	2.7	339	313	54 594
Nov		490	16.9	2.7	14.1	2.7	348	307	55 225
Dec		553	18.5	2.5	14.0	2.5	346	313	56 806
1988 Jan		627	21.4†	2.7	17.6†	2.3†	381	348	56 918
Feb		588	16.9	2.9†	15.3	2.7	425	375	59 064
Mar		410	16.3	1.8	14.7	2.8	451	390	63 688
Apr		546	18.5	2.4	15.2	2.8	433	382	62 304
May		452	17.5	2.2	15.2	2.7	436	396	63 060
Jun		494	17.0	2.3	14.1	2.4	469	402	64 578
Jul		461	16.8	2.4	17.1	2.6	512	436	66 577
Aug		548	17.1	3.0	15.1	2.8	374	441	66 326
Sep		503	16.2	2.0	14.1	2.4	350	400	69 915
Oct		516	17.3	2.3	14.4	2.4	349	387	67 468
Nov		..	19.3	2.6	14.2	2.3	338	368	69 956
Dec		..	18.8	2.5	15.2	2.5	313†	369†	71 153
1989 Jan		..	..	..	..	..	..	..	68 808†

1 Mortgages with building societies by private owners. The series covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

Sources: Central Statistical Office; Department of the Environment; Scottish Development Department; Building Societies Association

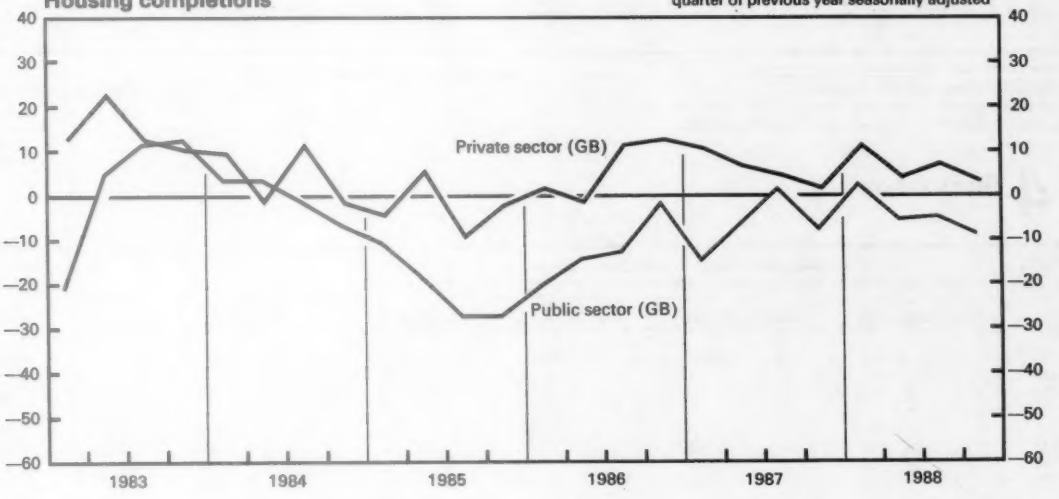
Indicators of fixed investment in dwellings

£ million 1985 prices seasonally adjusted



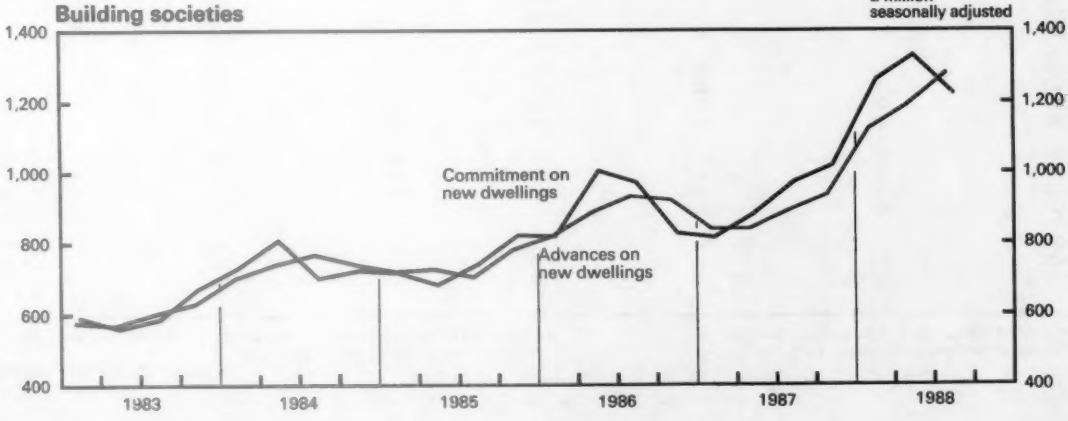
Housing completions

Percentage change, quarter on corresponding quarter of previous year seasonally adjusted



Building societies

£ million seasonally adjusted



13 Stock changes

£ million, 1985 prices

	Energy and water supply	Manufacturing				Distribution		Other industries	All industries
		Materials and fuels	Work in progress	Finished goods	Total	Wholesale[1]	Retail[2]		
Value of stocks and work in progress end-December 1987[3]	5 992	12 871	15 900	12 602	41 373	14 152	11 262	19 798	92 577
	DHBQ	DGAX	DGAY	DGAW	DHBM	DHBO	DHBN	DHBR	DGBA
1983 Q3	83	-140	70	-201	-271	131	169	473	585
Q4	-110	133	63	115	311	-85	49	119	284
1984 Q1	-260	-16	177	217	378	-48	201	70	341
Q2	-330	64	170	-228	6	-18	34	124	-184
Q3	-235	179	-	136	315	75	-142	76	89
Q4	-160	96	34	229	359	27	398	202	826
1985 Q1	-76	43	-298	73	-181	-66	-61	190	-194
Q2	-122	21	14	210	244	152	126	203	603
Q3	-25	193	-7	-59	127	-137	129	224	318
Q4	209	-118	-376	-139	-633	-34	51	249	-158
1986 Q1	4	-22	-146	-82	-250	318	175	120	367
Q2	-243	110	60	50	220	-90	183	123	193
Q3	-95	-57	-55	-52	-164	-289	115	-25	-458
Q4	121	-137	18	-90	-209	326	258	21	517
1987 Q1	-95	-19	-92	-92	-203	96	75	8	-119
Q2	-55	-18	-40	-120	-177	69	243	81	161
Q3	25	112	296	1	410	215	357	128	1 135
Q4	4	-31	-369	25	-375	101	54	-18	-234
1988 Q1	-95	15	32	12	59	-112	66	157	75
Q2	-104	73	127	203	402	124	149	228	799
Q3	-55	-45	-42	-54	-141	143	43	-102	-112

1 Classes 61-63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
2 Classes 64-65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
3 Stock levels at 1985 prices, not seasonally adjusted.

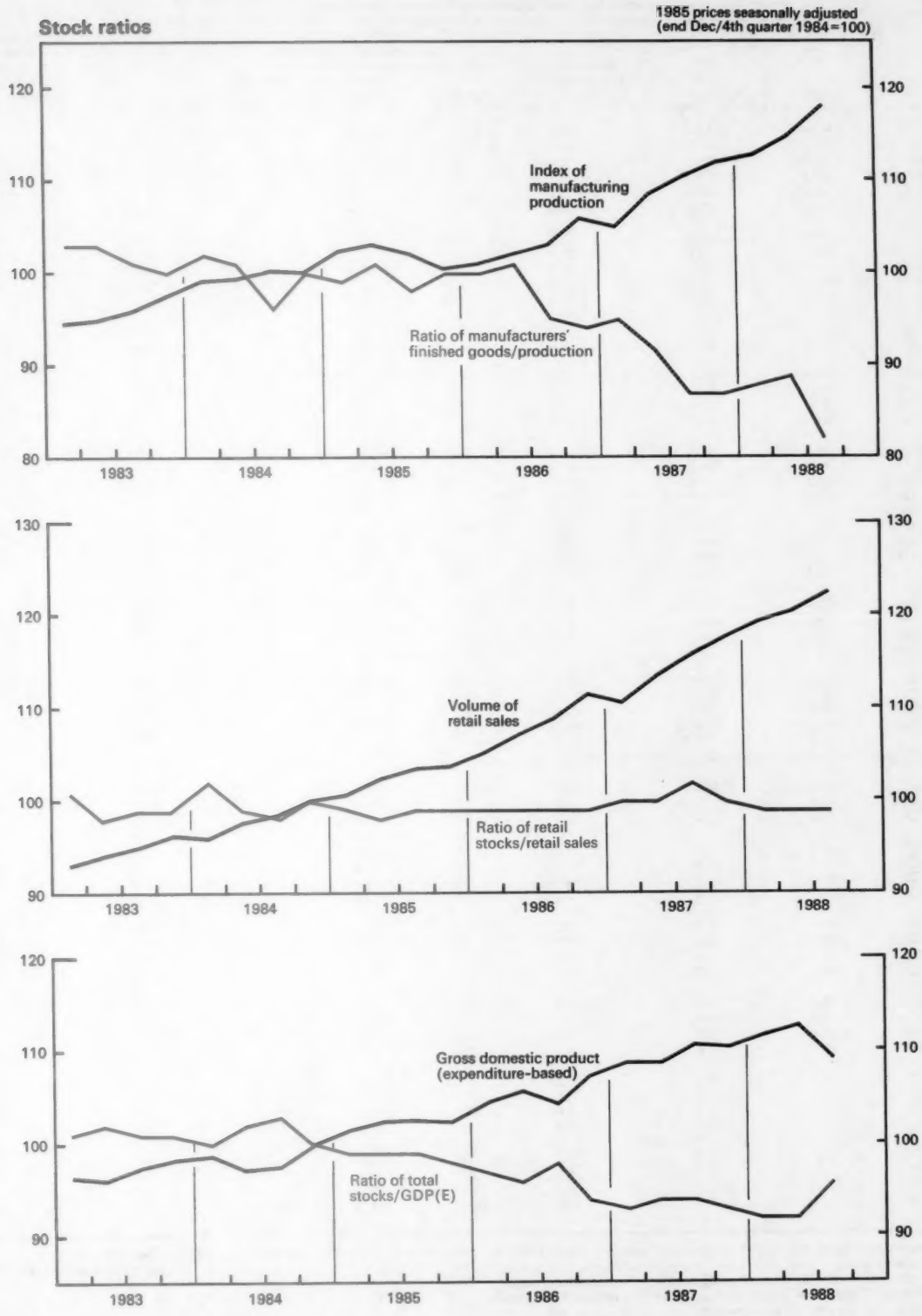
Source: Central Statistical Office

14 Stock ratios

	Manufacturers' stocks[1] to manufacturing production				Retail stocks[1] to retail sales[2,3]	Total stocks[1] to gross domestic product (expenditure-based)[2]
	Materials and fuel	Work in progress	Finished goods	Total stocks		
	FDCC	FDCD	FDCE	FDCB	FDCF	FDCA
1983 Q3	101	102	101	101	99	101
Q4	100	100	100	100	99	101
1984 Q1	98	100	102	100	102	100
Q2	98	102	101	100	99	102
Q3	100	101	96	99	98	103
Q4	100	100	100	100	100	100
1985 Q1	98	96	99	98	99	99
Q2	97	97	101	99	98	99
Q3	100	98	98	99	99	99
Q4	101	96	100	99	99	98
1986 Q1	100	95	100	98	99	97
Q2	100	95	101	98	99	96
Q3	99	94	95	96	99	98
Q4	95	90	94	92	99	94
1987 Q1	95	91	95	93	100	93
Q2	92	88	92	91	100	94
Q3	92	89	87	89	102	94
Q4	90	84	87	87	100	93
1988 Q1	89	84	88	87	99	92
Q2	88	84	89	87	99	92
Q3	86	82	82	83	99	96

1 Measured at 1985 prices; end-December 1984=100.
2 Measured at 1985 prices; 4th quarter 1984=100.
3 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

Source: Central Statistical Office


Stock ratios
1985 prices seasonally adjusted
(end Dec/4th quarter 1984=100)
120
110
100
90
80
Index of
manufacturing
production
Ratio of manufacturers'
finished goods/production
1983
1984
1985
1986
1987
1988
130
120
110
100
90
Volume of
retail sales
Ratio of retail
stocks/retail sales
120
110
100
90
Gross domestic product
(expenditure-based)
Ratio of total
stocks/GDP(E)

15 Inland energy consumption

Annual rates, temperature corrected

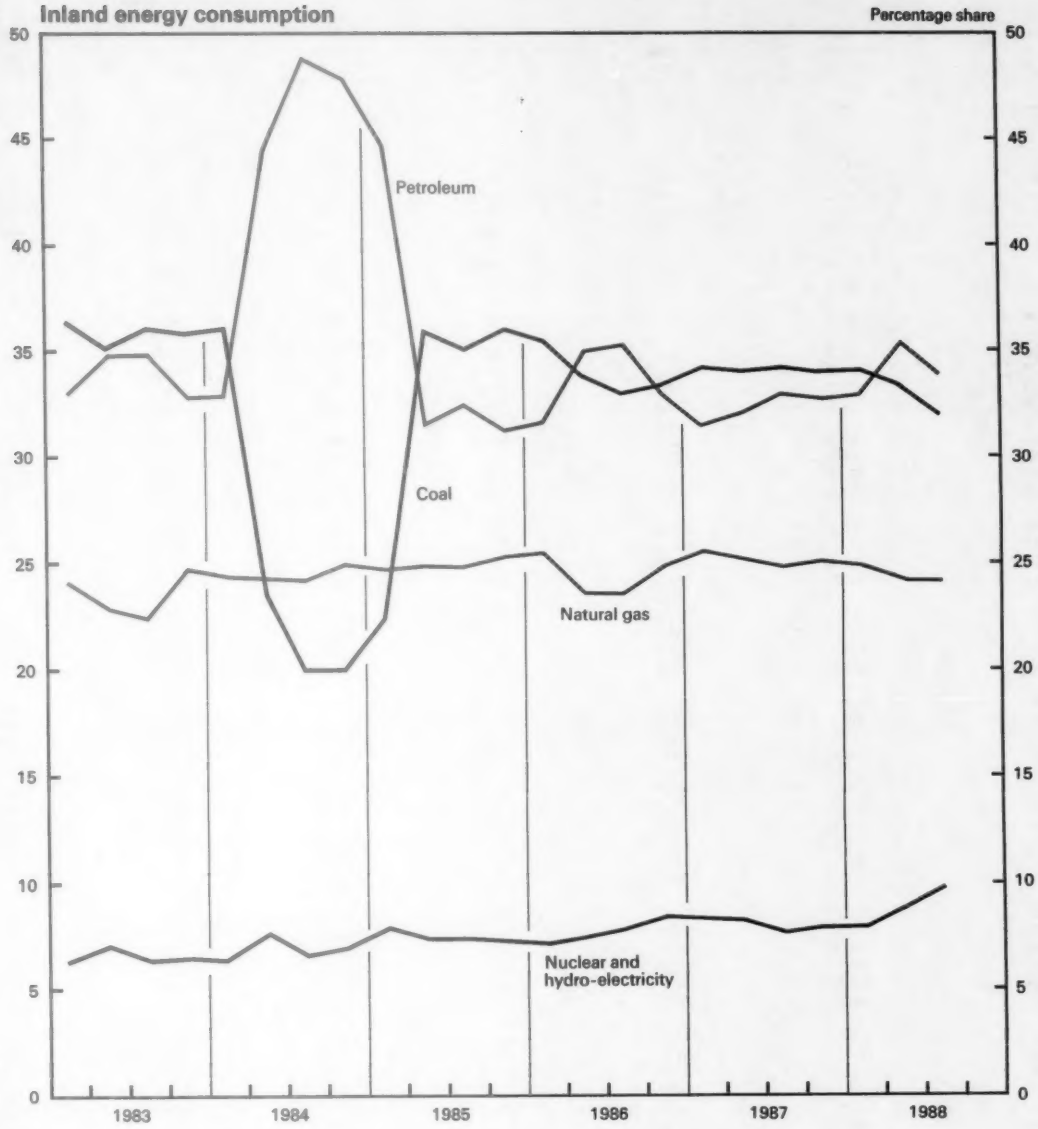
	Primary fuel input (million tonnes of coal or coal equivalent)							Public supply: electricity available (GB)[3] (billion kilowatt hours)
				Primary electricity (not temperature corrected)				
	Coal[1]	Petroleum	Natural gas (excl. flared or re-injected)	Nuclear	Hydro[2] (NSA)	Net imports (NSA)	Total	
	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAW	FDAH	FDAN
1979	127.2	137.0	69.1	13.8	2.2	-	349.3	255.0
1980	120.1	121.2	70.5	13.4	2.0	-	327.2	245.9
1981	117.5	110.2	71.6	13.7	2.3	-	315.3	239.2
1982	109.6	110.8	72.9	16.0	2.4	-	311.7	236.2
1983	111.6	105.9	75.6	18.1	2.4	-	313.6	242.3
1984	78.5	134.7	77.3	19.5	2.1	-	312.1	246.0
1985	103.6	113.2	81.2	22.1	2.1	-	322.3	255.8
1986	110.6	110.6	81.6	21.3	2.4	1.7	328.3	261.3
1987	114.3	108.0	84.4	19.8	2.1	4.7	333.3	269.9
1988	111.5†	116.0†	83.7†	22.9†	2.5†	5.2†	341.7†	..
1983 Q3	117.2	112.6	72.6	18.9	1.7	-	323.0	248.4
Q4	111.4	101.7	76.8	17.8	2.2	-	309.9	242.8
1984 Q1	111.4	103.1	76.6	17.5	2.4	-	310.9	242.3
Q2	70.0	136.5	74.7	21.6	2.0	-	304.7	244.3
Q3	60.9	152.8	76.0	19.5	1.4	-	310.7	250.3
Q4	61.1	149.8	78.6	20.1	2.0	-	311.5	247.2
1985 Q1	70.8	143.0	79.4	23.3	2.1	-	318.5	249.8
Q2	116.8	103.1	81.5	22.3	2.0	-	325.7	258.4
Q3	116.1	106.6	80.9	22.3	2.1	-	329.0	260.2
Q4	116.3	100.0	80.9	21.0	2.2	-	320.3	254.9
1986 Q1	115.4	103.0	83.3	21.0	2.2	0.2	324.9	258.3
Q2	112.3	116.9	79.0	21.2	2.2	1.6	333.3	265.3
Q3	108.7	116.6	78.0	21.8	2.4	1.3	328.1	260.4
Q4	109.3	107.8	81.7	21.6	2.3	3.9	326.8	261.0
1987 Q1	111.3	102.8	83.4	21.4	2.3	3.7	324.8	263.9
Q2	114.7	108.0	84.6	20.0	2.2	5.4	334.9	269.4
Q3	115.5	111.3	84.3	18.9	2.2	4.7	336.8	272.7
Q4	115.1	110.4	84.9	18.9	2.1	5.2	337.1	273.7
1988 Q1	116.1	112.3	84.6	19.4	2.3	5.1	339.8	266.8
Q2	110.2	117.2	80.3	21.4	2.3	5.6	330.0	272.7
Q3	108.6†	115.1	82.6	25.3	2.4	5.7	339.7†	..
Q4	111.0	119.6†	87.2†	26.1†	2.5†	4.5†	350.8	..
Percentage change, quarter on corresponding quarter of previous year								
	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAX	FDAO	FDAU
1983 Q3	*5.5*	*-1.0*	*1.0*	*0.6*	*-18.7*	-	*1.3*	*2.0*
Q4	*3.5*	*-3.2*	*2.6*	*2.8*	*-13.4*	-	*0.7*	*2.8*
1984 Q1	*-0.8*	-	*1.7*	*4.3*	*-15.8*	-	*0.2*	*2.5*
Q2	*-35.7*	*25.9*	*5.0*	*10.9*	*-25.8*	-	*-1.8*	*1.1*
Q3	*-48.0*	*35.8*	*4.7*	*2.8*	*-15.6*	-	*-3.8*	*0.8*
Q4	*-45.2*	*47.3*	*2.3*	*12.6*	*-9.6*	-	*0.5*	*1.8*
1985 Q1	*-36.4*	*38.7*	*3.6*	*33.3*	*-12.0*	-	*2.4*	*3.1*
Q2	*66.9*	*-24.4*	*9.1*	*3.6*	*-15.9*	-	*6.8*	*5.8*
Q3	*90.7*	*-30.3*	*6.4*	*14.2*	*-6.8*	-	*5.6*	*4.0*
Q4	*90.5*	*-33.3*	*2.9*	*4.7*	*5.8*	-	*2.8*	*3.1*
1986 Q1	*62.9*	*-28.0*	*4.9*	*-10.0*	*6.8*	+	*2.0*	*3.4*
Q2	*-3.8*	*13.4*	*-3.1*	*-5.2*	*14.4*	+	*2.3*	*2.6*
Q3	*-6.4*	*9.4*	*-3.6*	*-1.9*	*14.6*	+	*-0.3*	*0.1*
Q4	*-8.1*	*7.8*	*1.1*	*2.5*	*6.0*	+	*2.0*	*2.4*
1987 Q1	*-3.5*	*-0.2*	*0.1*	*1.9*	*2.7*	+	-	*2.2*
Q2	*2.1*	*-7.6*	*7.1*	*-5.6*	*-0.2*	+	*0.5*	*1.6*
Q3	*6.2*	*-4.6*	*8.1*	*-13.6*	*-5.9*	+	*2.7*	*4.7*
Q4	*5.3*	*2.4*	*3.9*	*-12.7*	*-7.4*	*32.9*	*3.2*	*4.9*
1988 Q1	*4.2*	*-0.5*	*1.5*	*-9.1*	*0.4*	*40.3*	*4.6*	*1.1*
Q2	*-3.9*	*6.5*	*-5.1*	*6.9*	*4.1*	*3.7*	*0.6*	*1.2*
Q3	*-6.0*†	*3.5*	*-2.1*	*34.1*	*6.4*	*23.2*	*0.9*†	..
Q4	*-3.4*	*8.3*†	*2.6*†	*36.1*†	*14.5*†	*-12.3*†	*4.2*	..

1 Annual data includes adjustment for net foreign trade and stock change in other solid fuels.

2 Quarterly data from Q1 1985 onwards are the estimated annual outturn. Comparisons with 1984 are based on corresponding estimated outturns in that year, not the data shown in the table.

3 The inclusion of Northern Ireland would add about 2 per cent to the total.

Source: Department of Energy


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1983
1984
1985
1986
1987
1988

16 Index of output of the production industries

1985 = 100

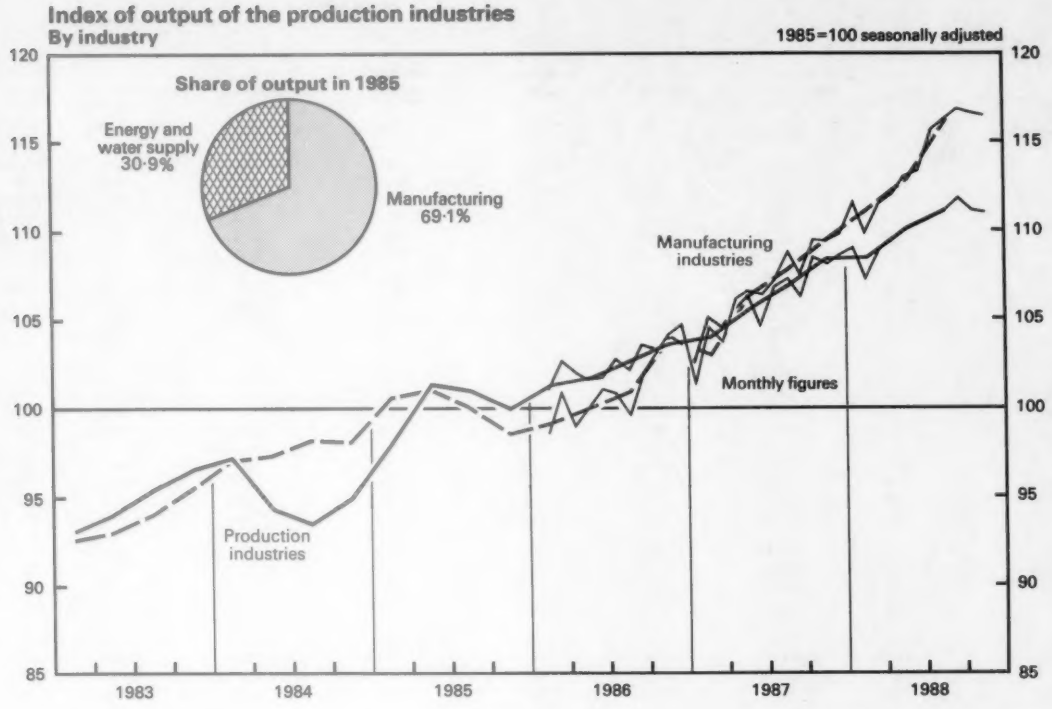
	Total production industries	Energy and water supply	Total manufacturing industries[1]	By market sector: Consumer goods industries	By market sector: Investment goods industries	By market sector: Intermediate goods industries
1985 weights	*1 000*	*309*	*691*	*242*	*185*	*563*
	DVIM	DVIN	DVIS	DVJP	DVJV	DVJZ
1982	91.3	91.6	91.1†	92.4†	91.3	90.4†
1983	94.7	96.8	93.7	95.3	91.8	95.4
1984	94.9	88.8	97.6	98.1	95.8	93.2
1985	100.0	100.0	100.0	100.0	100.0	100.0
1986	102.2†	105.0†	100.9	101.6	99.0	103.5
1987	105.8	103.9	106.6	106.5	103.4	106.3
1988	109.8	99.7	114.2	112.5	111.1†	108.1
1983 Q4	96.7†	98.9†	95.7†	96.9†	93.8†	97.6†
1984 Q1	97.2	97.6	97.0	97.7	94.2	98.0
Q2	94.3	87.6	97.3	98.7	94.6	92.3
Q3	93.2	82.7	97.9	98.0	96.1	90.1
Q4	94.9	87.3	98.3	98.1	98.4	92.3
1985 Q1	97.9	92.0	100.5	100.5	101.3	95.6
Q2	101.6	102.7	101.1	99.9	102.6	101.9
Q3	100.5	102.1	99.8	100.4	99.1	101.0
Q4	100.0	103.2	98.6	99.1	97.0	101.4
1986 Q1	101.4	106.4	99.1	99.8	99.4	102.7
Q2	101.7	105.1	100.1	101.2	97.7	103.2
Q3	102.4	106.5	100.6	101.7	97.3	104.5
Q4	103.3	102.0	103.9	103.7	101.8	103.7
1987 Q1	103.7	105.2	103.0	103.2	99.5	105.3
Q2	105.0	102.4	106.2	105.8	103.5	105.2
Q3	106.4	103.2	107.9	108.1	103.6	106.7
Q4	108.0	104.8	109.4	108.9	107.0	108.0
1988 Q1	107.7	100.9	110.8	109.5	106.2	107.5
Q2	109.4	102.3	112.6	111.8	109.1	108.6
Q3	111.0	98.7	116.5	113.9	115.4	108.3
Q4	110.8	97.0	117.0	114.9	113.8	108.1
1986 Jul	102.4†	106.2†	100.7†	100.9†	98.7†	104.4†
Aug	101.7	107.0	99.3	101.8	94.4	104.2
Sep	103.1	106.2	101.8	102.4	98.7	105.0
Oct	103.0	102.9	103.0	103.7	99.7	103.8
Nov	103.7	103.2	104.0	103.4	102.4	104.4
Dec	103.2	99.8	104.7	103.9	103.2	102.9
1987 Jan	102.1	104.5	101.1	102.5	97.2	103.7
Feb	104.7	105.1	104.5	103.5	101.7	106.3
Mar	104.2	106.0	103.4	103.6	99.6	106.1
Apr	105.1	102.9	106.0	105.8	103.2	105.4
May	105.8	104.4	106.4	106.2	103.8	106.3
Jun	104.2	99.7	106.2	105.4	103.3	104.0
Jul	106.3	104.1	107.3	107.7	102.1	107.2
Aug	107.2	103.4	108.9	108.8	105.0	107.2
Sep	105.8	102.0	107.5	107.9	103.6	105.7
Oct	108.0	104.9	109.5	108.8	106.2	108.3
Nov	107.9	104.7	109.3	108.6	105.8	108.3
Dec	108.1	104.9	109.6	109.3	108.9	107.4
1988 Jan	108.2	101.4	111.2	110.3	103.8	108.8
Feb	106.5	99.6	109.6	108.4	105.5	106.1
Mar	108.4	101.7	111.4	109.9	109.4	107.4
Apr	108.9	102.2	111.8	110.5	108.1	108.4
May	109.5	102.0	112.9	113.1	107.3	108.7
Jun	110.0	102.8	113.1	111.7	111.9	108.5
Jul	110.8	99.1	116.0	113.7	113.9	108.4
Aug	110.9	98.4	116.4	113.3	115.9	108.1
Sep	111.5	98.8	117.1	114.7	116.8	108.3
Oct	111.0	97.4	117.1	114.2	115.1	108.2
Nov	111.7	99.0	117.4	115.3	115.8	108.8
Dec	109.7	94.5	116.6	115.4	110.3	107.1

1 The figures for manufacturing industries contain an adjustment for stock changes and for measurement bias - see Annual Supplement 1988 edition.

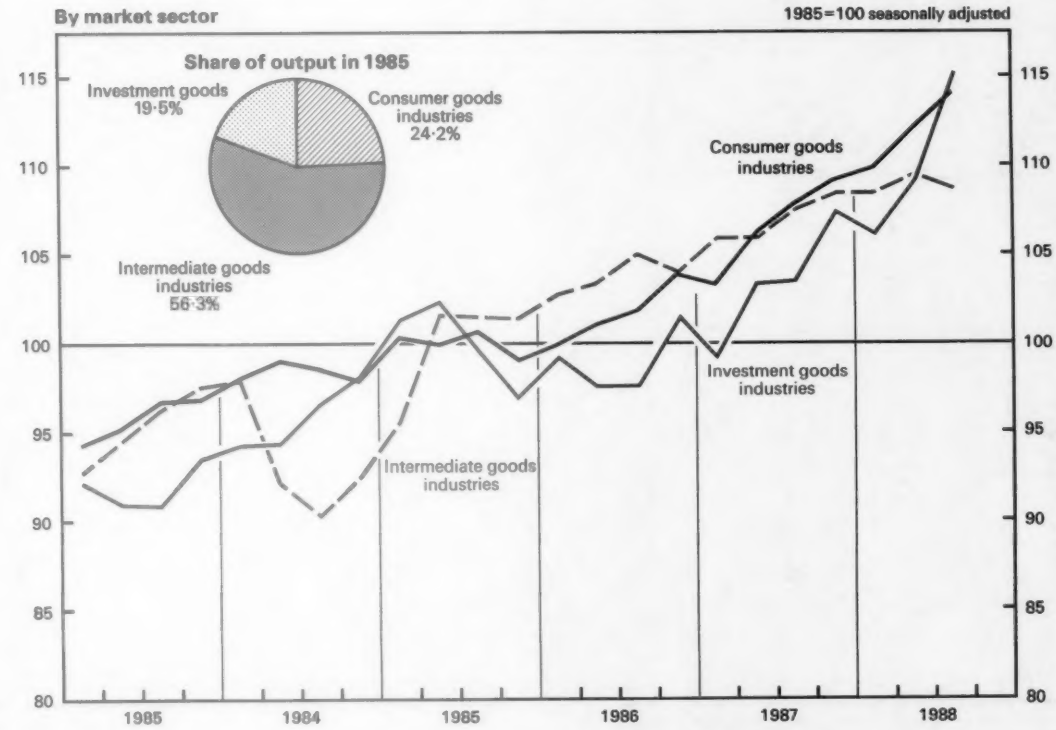
Source: Central Statistical Office

Index of output of the production industries

By industry



By market sector



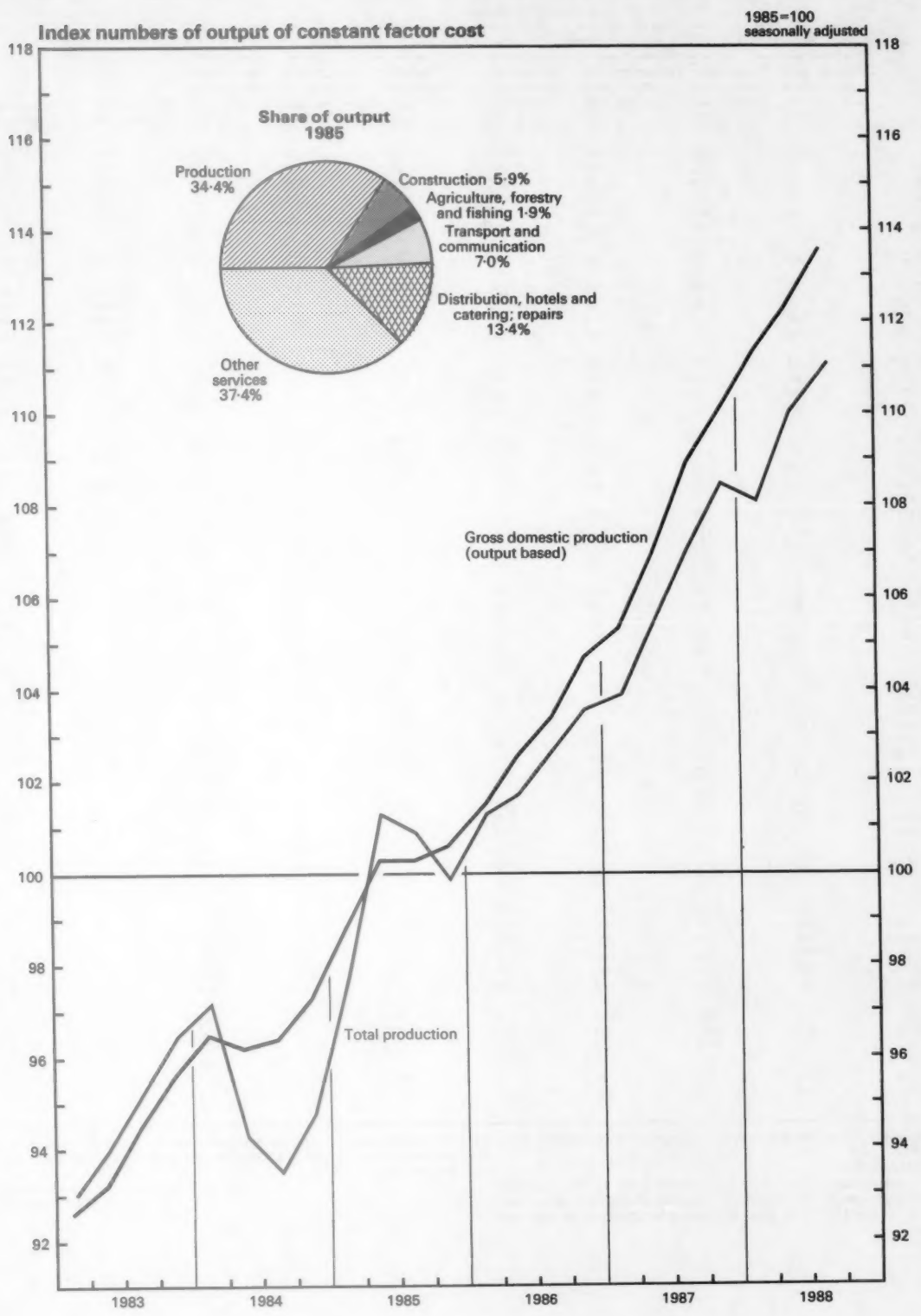
17 Index numbers of output at constant factor cost

1985 = 100

	Agriculture, forestry and fishing	Production industries[1]	Construction	Service industries: Distribution; hotels and catering; repairs	Service industries: Transport and communication	Service industries: Other services	Service industries: Total services	Gross domestic product
1985 weights	*19*	*344*	*59*	*134*	*70*	*374*	*578*	*1 000*
	CKAP	DVIM	DVJO	CKAQ	CKAR	CKAS	CKCE	DSAE
1980	85.2	92.5	88.7	87.7	91.0	89.4	89.2	90.2
1981	87.4	89.6	81.8	86.3	91.2	90.3	89.5	89.0
1982	94.7	91.3	88.3	87.9	90.3	91.9	90.8	90.9
1983	89.6	94.7	93.9	91.7	93.0	94.6	93.7	94.0
1984	105.1	94.9	98.5	95.8	97.1	97.8	97.1	96.8
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	101.2	102.3	100.8	104.1	104.5	103.2	103.6	103.0
1987	99.5	106.2	108.7	110.1	110.4	108.1	108.8	107.8
1988	..	..	..	..	..	..	114.3	112.7
1983 Q1	90	93.0	92.6	90	91	94	92.5	92.6
Q2	87	94.0	91.3	91	93	94	93.2	93.2
Q3	88	95.3	95.3	92	93	95	94.2	94.5
Q4	93	96.5	96.5	93	95	96	95.1	95.6
1984 Q1	101	97.2	97.6	94	95	97	95.9	96.5
Q2	107	94.3	98.7	95	96	97	96.7	96.2
Q3	108	93.5	99.5	96	98	98	97.5	96.4
Q4	105	94.8	98.2	98	99	99	98.4	97.3
1985 Q1	101	97.8	100.5	99	100	99	99.1	98.8
Q2	99	101.3	99.5	100	100	100	99.7	100.3
Q3	99	100.9	98.7	100	100	100	100.2	100.3
Q4	100	99.9	101.1	101	101	101	101.0	100.6
1986 Q1	101	101.3	96.7	102	103	101	101.7	101.4
Q2	102	101.7	101.0	103	103	103	102.9	102.5
Q3	101	102.7	101.7	105	105	104	104.2	103.4
Q4	101	103.6	103.8	106	107	105	105.5	104.7
1987 Q1	100	103.9	107.3	107	105	106	106.1	105.3
Q2	99	105.4	105.6	109	110	107	108.1	106.9
Q3	99	107.1	109.2	112	113	109	110.2	108.9
Q4	99	108.5	112.8	112	113	110	110.9	110.0
1988 Q1	100	108.1	118.5	115	118	111	112.7	111.3
Q2	99	110.0	115.9	115	116	112	113.6	112.3
Q3	100	111.0	115.5	119	117	114	115.3	113.6
Q4	..	..	..	..	..	..	115.4	113.7
Percentage change, quarter on corresponding quarter of previous year								
1983 Q3	*-8*	*3.7*	*7*	*5*	*4*	*3*	*3.7*	*3.5*
Q4	*-1*	*5.9*	*6*	*5*	*4*	*3*	*3.7*	*4.5*
1984 Q1	*13*	*4.5*	*5*	*4*	*5*	*3*	*3.6*	*4.1*
Q2	*24*	*0.3*	*8*	*5*	*4*	*3*	*3.8*	*3.2*
Q3	*24*	*-1.9*	*4*	*4*	*5*	*3*	*3.5*	*2.1*
Q4	*13*	*-1.8*	*2*	*5*	*5*	*3*	*3.6*	*1.8*
1985 Q1	-	*0.6*	*3*	*5*	*5*	*3*	*3.4*	*2.4*
Q2	*-7*	*7.4*	*1*	*4*	*4*	*2*	*3.1*	*4.3*
Q3	*-9*	*7.9*	*-1*	*5*	*3*	*2*	*2.8*	*3.9*
Q4	*-5*	*5.4*	*3*	*4*	*2*	*3*	*2.7*	*3.4*
1986 Q1	-	*3.6*	*4*	*3*	*3*	*2*	*2.5*	*2.5*
Q2	*2*	*0.4*	*2*	*3*	*4*	*3*	*3.2*	*2.0*
Q3	*2*	*1.8*	*3*	*5*	*5*	*4*	*4.0*	*3.3*
Q4	*1*	*3.7*	*3*	*5*	*7*	*4*	*4.5*	*4.1*
1987 Q1	*-1*	*2.6*	*11*	*5*	*3*	*4*	*4.3*	*3.9*
Q2	*-2*	*3.6*	*5*	*6*	*7*	*5*	*5.1*	*4.3*
Q3	*-2*	*4.3*	*7*	*8*	*8*	*5*	*5.7*	*5.3*
Q4	*-1*	*4.7*	*9*	*6*	*5*	*5*	*5.1*	*5.1*
1988 Q1	-	*4.0*	*10*	*7*	*10*	*5*	*6.3*	*5.7*
Q2	-	*4.4*	*10*	*6*	*5*	*5*	*5.1*	*5.0*
Q3	-	*3.6*	*6*	*6*	*3*	*4*	*4.7*	*4.3*
Q4	..	..	..	..	..	..	*4.1*	*3.4*

1 The latest data for the index of production are presented in Table 16. The figures given in this table are consistent with the figures for the output measure of gross domestic product.

Source: Central Statistical Office


Index numbers of output of constant factor cost
1985=100
seasonally adjusted
Share of output
1985
Production
34·4%
Construction 5·9%
Agriculture, forestry
and fishing 1·9%
Transport and
communication
7·0%
Distribution, hotels and
catering; repairs
13·4%
Other
services
37·4%
Gross domestic production
(output based)
Total production
118
116
114
112
110
108
106
104
102
100
98
96
94
92
1983
1984
1985
1986
1987
1988

18 Engineering and construction: output and orders

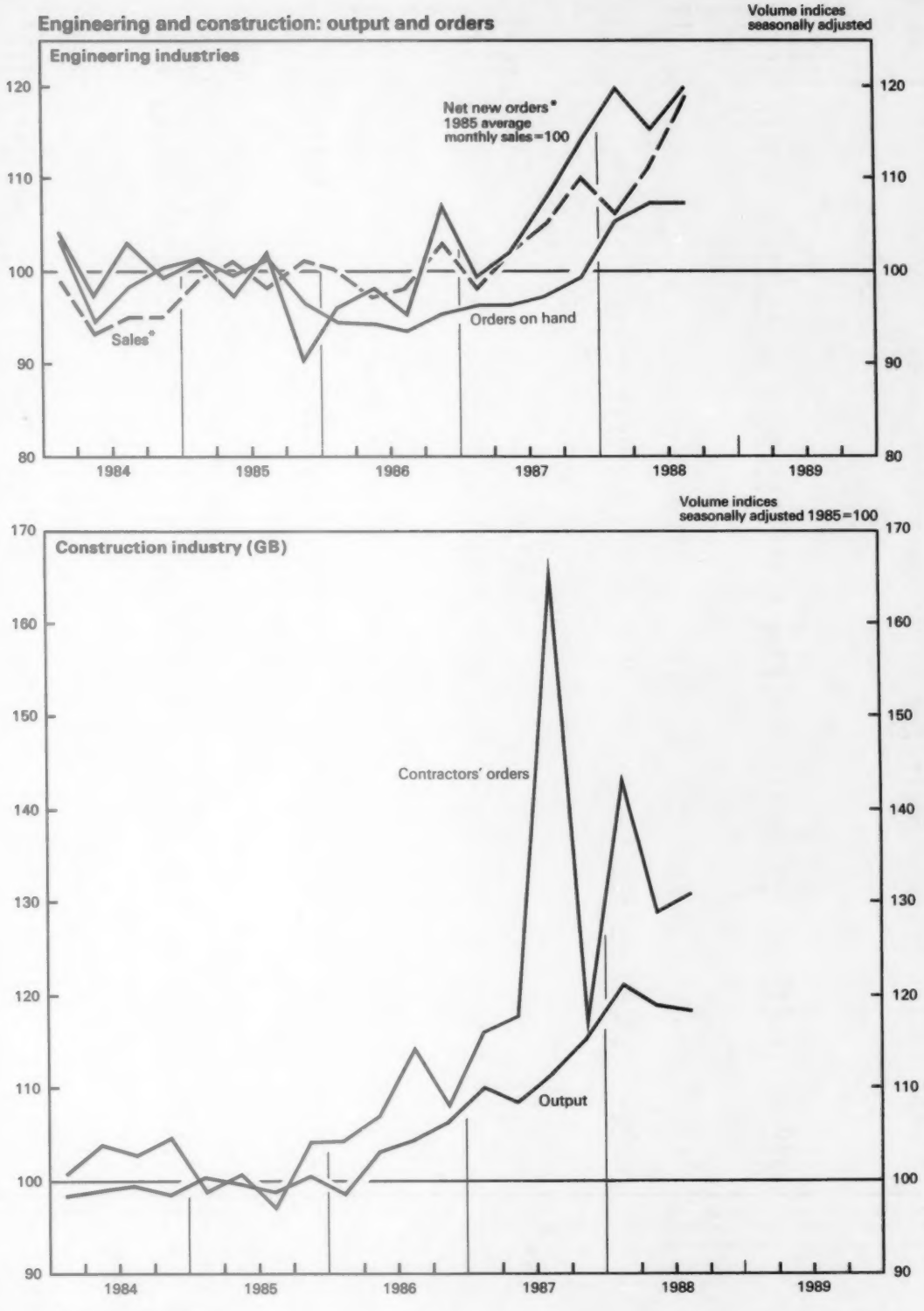
Volume index numbers

	Engineering industries[1]							Construction (GB)	
	Home market		Export		Total				
	Orders on hand end of period (average 1985 = 100)	New orders[2] (1985 average monthly sales = 100)	Orders on hand end of period (average 1985 = 100)	New orders[2] (1985 average monthly sales = 100)	Sales[2] (1985 average monthly sales = 100)	Orders on hand end of period (average 1985 =100)	New orders[2] (1985 average monthly sales = 100)	Gross output[3] (1985 = 100)	Orders received (1985 = 100)
	FEAV	FEAN	FEAX	FEAP	FEAJ	DKCJ	FEAL	FEAQ	FEAZ
1984	103	100	96	99	93	100	100	98.9	102.9
1985	95	96	98	101	100	96	98	100.0	100.0
1986	95	100	96	97	100	95	99	103.3	108.2
1987	102	106	95	105	104	99	106	111.4	128.8[4]
1988	113†	117†	106†	127†	114†	111†	120†	..	..
1984 Q4	103	99	96	98	95	100	99	98.6	104.6
1985 Q1	103	99	98	105	99	101	101	100.6	98.5
Q2	99	91	100	110	101	99	97	99.9	100.7
Q3	100	102	102	102	98	101	102	98.8	98.8
Q4	95	91	96	88	101	96	90	100.8	104.0
1986 Q1	93	98	95	91	100	94	96	98.7	104.1
Q2	96	103	92	89	97	94	98	103.3	106.8
Q3	95	98	90	91	98	93	95	104.4	114.2
Q4	95	102	96	118	103	95	107	106.6	107.6
1987 Q1	96	99	95	100	98	96	99	110.0	115.9
Q2	97	103	95	101	102	96	102	108.4	117.5
Q3	98	106	96	106†	105	97	108	111.7	165.8[4]
Q4	102	115	95	111	110	99	114	115.5	116.0
1988 Q1	106	115†	105†	132	106	106†	121†	121.3	143.1
Q2	110	116	102	111	111	107	114	118.9	128.6
Q3	113†	120	103	130	120†	109	124	118.3	130.7
Q4	113	116	106	135	118	111	122	..	..
1986 Jul	94	88	91	81	97	92	86		130.0
Aug	94	101	90	88	94	93	96		104.4
Sep	95	104	90	103	103	93	104		108.2
Oct	96	115	92	111	100	95	114		108.3
Nov	95	89	92	108	104	94	96		109.2
Dec	95	101	96	135	104	95	112		104.7
1987 Jan	95	92	96	98	93	95	94		123.9
Feb	96	107	95	96	100	96	103		110.0
Mar	96	99	95	105	101	96	101		113.9
Apr	96	99	95	98	102	95	99		112.5
May	96	102	95	103	102	95	102		129.8
Jun	97	107	95	103	102	96	106		110.1
Jul	98	108	96	106	101	97	107		230.9[4]
Aug	99	112	96	110	107	98	112		143.9
Sep	98	105	96	104	107	97	105		122.6
Oct	99	111	97†	115†	108	98	112		116.3
Nov	101	118†	97	113	109	99	116		113.1
Dec	102	116	95	107	112	99	113		118.4
1988 Jan	106	131	102	158	102	105	140†		141.4
Feb	106	99	103	112	104	105	103		149.7
Mar	106	115	105	126	112	106†	119		138.2
Apr	106†	104	105	115	108	106	108		131.6
May	109	126	104	109	110	107	120		127.4
Jun	110	118	102	108	116	107	114		126.7
Jul	113	128	102	123	115†	109	126		130.4
Aug	115	127	103	131	119	110	128		129.6
Sep	113	106	103	137	125	109	116		132.1
Oct	113	122	103	125	121	109	123		139.4
Nov	114	120	105	141	119	110	127		151.2
Dec	113	106	106	140	115	111	117		..

1 Mechanical, instrument and electrical engineering (SIC classes 32, 33, 34 and 37).
2 Net of cancellations.
3 This index is based on a gross output series which includes repair and maintenance estimates, unrecorded output by self-employed workers and small firms and output by the direct labour departments of the public sector.
4 Includes the Channel Tunnel project. Excluding the project, the level of orders would have been 137.4 in July 1987, 134.6 in third quarter 1987 and 121.0 in 1987 as a whole.

Sources: Department of Trade and Industry; Department of the Environment

Engineering and construction: output and orders



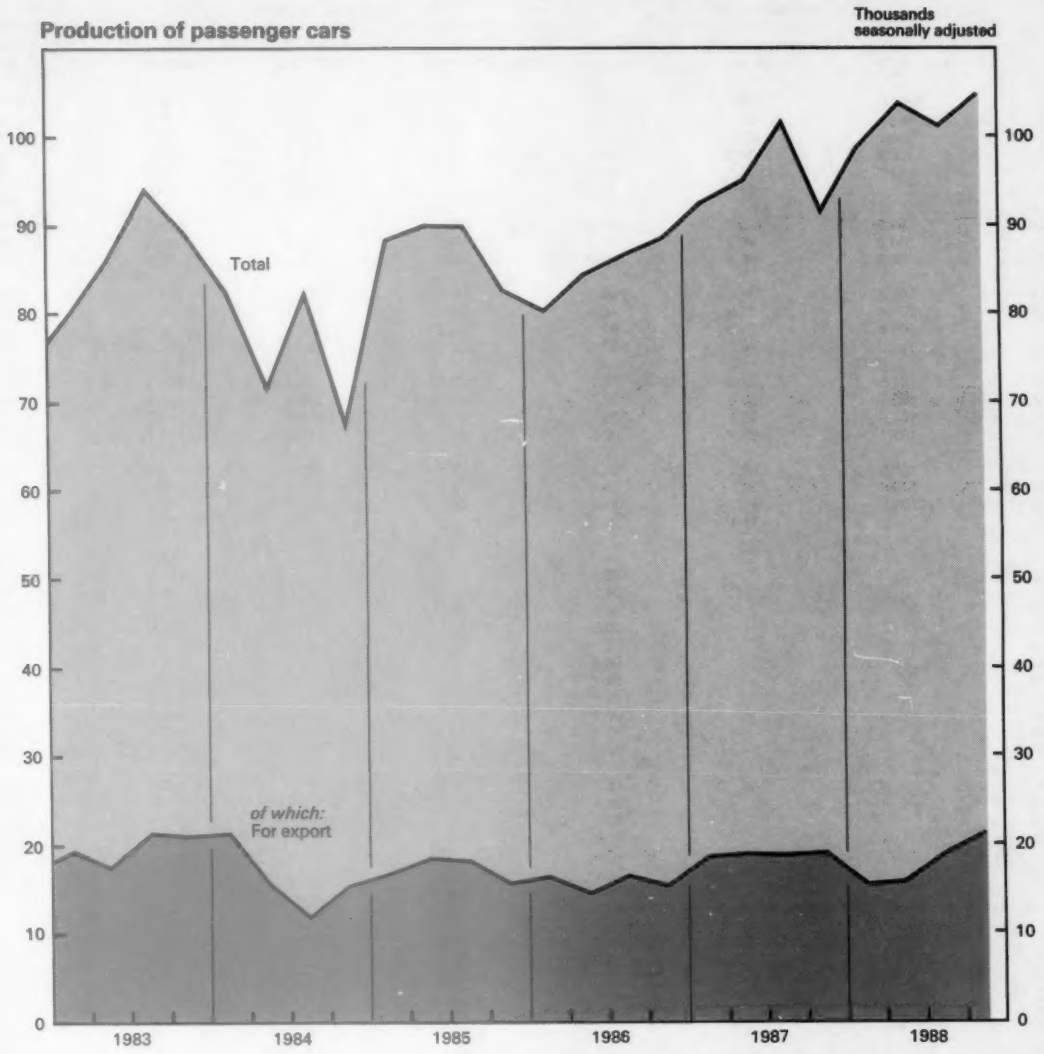
*See footnote [2] on page 32

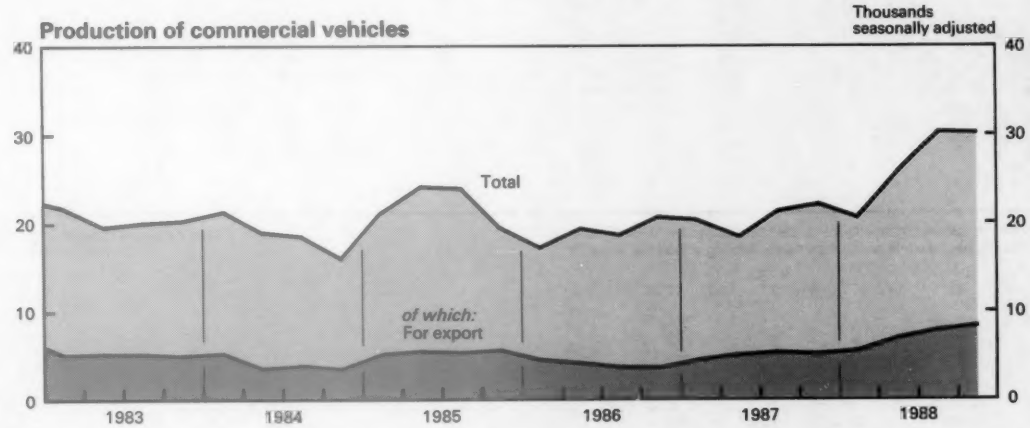
19 Motor vehicle production[1] and steel production and consumption

	Passenger cars+		Commercial vehicles+		Crude steel production[2] (thousand tonnes)	Finished steel consumption (thousand tonnes)
	Total production (thousands)	Of which for export (thousands)	Total production (thousands)	Of which for export (thousands)		
	FFAO	FFAP	FFAQ	FFAR	FFAM	FFAN
1977	104.3	46.9	33.3	16.4	20 385	15 300
1978	89.3	41.2	32.0	14.1	20 237	15 710
1979	77.0	32.8	34.0	13.5	21 411	15 480
1980	77.0	29.1	32.4	13.0	11 387	12 770
1981	79.5	25.4	19.2	9.8†	15 308	12 440
1982	74.0	18.8	22.4	7.7	13 644	12 240
1983	87.0	19.8	20.4	5.2	14 933	11 510
1984	75.7	16.0	18.7	4.2	15 076	11 340
1985	87.6	17.3	22.2	5.5	15 716	11 560
1986	84.9	15.6	19.1	4.2	14 723	11 810
1987	95.2	18.9	20.6	5.1	17 726	12 330
1988	102.2	17.9	26.6	7.2	18 870	..
1984 Q3	82.1	11.8	18.6	3.9	3 743	2 910
Q4	67.2	15.4	16.1	3.7	3 766	2 860
1985 Q1	88.2	16.8	21.2	5.1	3 714	2 820
Q2	90.0	18.4	24.1	5.6	4 117	2 820
Q3	89.9	18.2	23.9	5.4	3 920	2 910
Q4	82.5	15.8	19.4	5.8	3 965	3 010
1986 Q1	80.2	16.2	17.2	4.8	3 787	2 950
Q2	84.3	14.6	19.4	4.2	3 256	3 010
Q3	86.6	16.3	18.8	3.8	3 436	2 960
Q4	88.6	15.4	20.8	3.8	4 244	2 890
1987 Q1	92.7	18.5	20.3	4.7†	3 989	2 870
Q2	95.0	19.0	18.5	5.1	4 392	3 030
Q3	101.6	18.9	21.4	5.4	4 673	3 260
Q4	91.6	19.1	22.1	5.1	4 672	3 170
1988 Q1	99.0	15.5	20.2	5.6	4 751	3 550
Q2	103.9	15.7	25.9	7.0	4 694	3 660
Q3	101.0	19.0	30.1	7.9	4 675	3 610
Q4	104.9	21.3	30.0	8.1	4 750	..
1986 Oct	81.1	12.0	19.4	3.7	1 593*	
Nov	87.5	16.3	18.4	3.7	1 265	
Dec	97.3	17.8	24.6	4.0	1 387	
1987 Jan	85.7	16.4	19.8	4.1	1 493*	
Feb	90.1	19.0	19.7	4.1	1 270	
Mar	102.3	20.2	21.3	5.7	1 226	
Apr	87.8	17.9	17.0	4.8	1 724*	
May	95.8	19.0	18.9	5.4	1 281	
Jun	101.5	20.0	19.6	5.0	1 388	
Jul	101.2	19.4	19.1	5.0	1 674*	
Aug	101.3	17.6	21.8	5.2	1 318	
Sep	102.2	19.6	23.3	6.0	1 681*	
Oct	95.0	20.0	21.5	4.8	1 390	
Nov	86.4	18.2	21.8	5.0	1 425	
Dec	93.3	19.1	23.1	5.6	1 856*	
1988 Jan	106.3	15.9	22.0	5.9	1 622	
Feb	84.7	15.6	15.9	3.6	1 446	
Mar	106.0	14.9	22.8	7.1	1 682*	
Apr	98.0	15.5	22.9	6.0	1 432	
May	102.5	13.8	25.5	6.7	1 513	
Jun	111.2	17.7	29.4	8.3	1 749*	
Jul	103.9	17.2	28.3	8.6	1 514	
Aug	99.7	19.1	33.9	7.0	1 420	
Sep	99.4	20.6	28.0	8.0	1 742*	
Oct	105.7	24.0	28.9	7.6	1 470	
Nov	111.5	22.8	30.5	8.2	1 805*	
Dec	97.4	17.1	30.6	8.5	1 476	

1 Annual and quarterly figures are monthly averages.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.

Source: Department of Trade and Industry


Production of passenger cars
Thousands
seasonally adjusted
100
90
80
70
60
50
40
30
20
10
0
Total
of which:
For export
1983
1984
1985
1986
1987
1988


Production of commercial vehicles
Thousands
seasonally adjusted
40
30
20
10
0
Total
of which:
For export
1983
1984
1985
1986
1987
1988

20 Output per person employed

1985 = 100

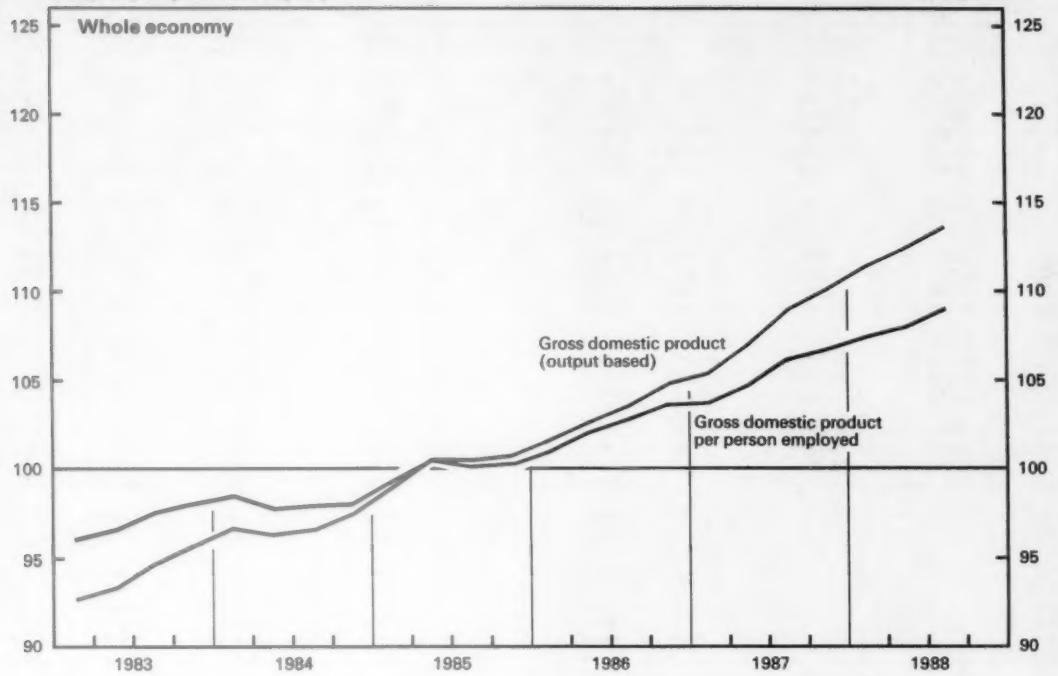
	Employed labour force[1]			Output per person employed[2]			Output per hour in manufacturing industries
	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	
	DMBC	DMBK	DMBD	DMBE	CAIW	DMBF	DMBH
1984	98.6	100.8	100.5	98.0	94.1†	97.2†	97.8
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	100.6	97.3	96.0	102.4	105.0	103.0	103.3
1987	102.3	95.5	96.6	105.4	110.8	110.3	110.0
1988	..	94.6†	96.3†	..	116.0	118.6	117.5†
1985 Q2	99.9	100.2	100.1	100.4	101.4†	101.0†	101.1†
Q3	100.2	99.9	100.0	100.1	100.6	99.8	99.8
Q4	100.3	99.4	99.7	100.3	100.6	98.9	98.8
1986 Q1	100.3	98.7	99.2	101.1	102.7	100.0	100.0
Q2	100.4	97.6	98.3	102.1	104.2	101.9	102.2
Q3	100.6	96.8	97.4	102.8	105.8	103.3	103.6
Q4	101.0	96.3	97.1	103.7	107.3	107.0	107.4
1987 Q1	101.5	95.8	96.7	103.8	108.3	106.5	106.7
Q2	102.1	95.6	96.7	104.7	109.8	109.6	109.6
Q3	102.5	95.4	96.6	106.2	111.5	111.6	111.2
Q4	103.1	95.2	96.5	106.7	113.4	113.4	112.6
1988 Q1	103.6	95.1	96.6	107.4	113.3	114.6	113.6
Q2	103.9	94.7	96.4	108.0	115.6	116.9	116.0
Q3	104.2	94.4	96.3	109.0	117.7	121.0	119.9
Q4	..	94.3†	96.0†	..	117.6	121.9	120.4
1987 Aug			96.7			112.6†	112.2†
Sep			96.5			111.4	110.7
Oct			96.5			113.4	112.6
Nov			96.6			113.2	112.4
Dec			96.5			113.5	112.7
1988 Jan			96.6			115.1	113.7
Feb			96.7			113.4	112.5
Mar			96.6			115.3	114.4
Apr			96.4			116.0	115.1
May			96.4			117.1	116.1
Jun			96.3			117.5	116.7
Jul			96.3			120.4	119.3
Aug			96.4			120.8	119.7
Sep			96.1			121.9	120.8
Oct			95.9†			122.1	120.5
Nov			96.0			122.4	120.8
Dec			96.1			121.3	119.8
Percentage change, quarter on corresponding quarter of previous year							
1985 Q2	*1.6*	*-0.7*	*-0.3*	*2.6*	*8.4*	*4.2*	*3.9*
Q3	*1.5*	*-0.7*	*-0.6*	*2.5*	*8.6*	*2.6*	*2.0*
Q4	*1.1*	*-1.1*	*-0.7*	*2.3*	*6.6*	*1.0*	*0.7*
1986 Q1	*0.7*	*-1.8*	*-1.1*	*1.9*	*5.4*	*-0.3*	*-0.3*
Q2	*0.5*	*-2.6*	*-1.8*	*1.8*	*2.7*	*1.0*	*1.2*
Q3	*0.4*	*-3.1*	*-2.5*	*2.7*	*5.2*	*3.4*	*3.8*
Q4	*0.7*	*-3.2*	*-2.6*	*3.3*	*5.7*	*8.2*	*8.8*
1987 Q1	*1.2*	*-2.9*	*-2.5*	*2.7*	*5.4*	*6.5*	*6.6*
Q2	*1.7*	*-2.0*	*-1.6*	*2.5*	*5.4*	*7.8*	*7.2*
Q3	*1.9*	*-1.4*	*-0.8*	*3.3*	*5.4*	*8.1*	*7.4*
Q4	*2.1*	*-1.1*	*-0.6*	*2.9*	*5.7*	*6.0*	*4.8*
1988 Q1	*2.1*	*-0.7*	*-0.1*	*3.5*	*4.6*	*7.6*	*6.4*
Q2	*1.8*	*-1.0*	*-0.4*	*3.2*	*5.2*	*6.4*	*5.8*
Q3	*1.7*	*-1.1*	*-0.4*	*2.6*	*5.5*	*8.4*	*7.9*
Q4	..	*-1.0*	*-0.6*	..	*3.7*	*7.5*	*6.9*

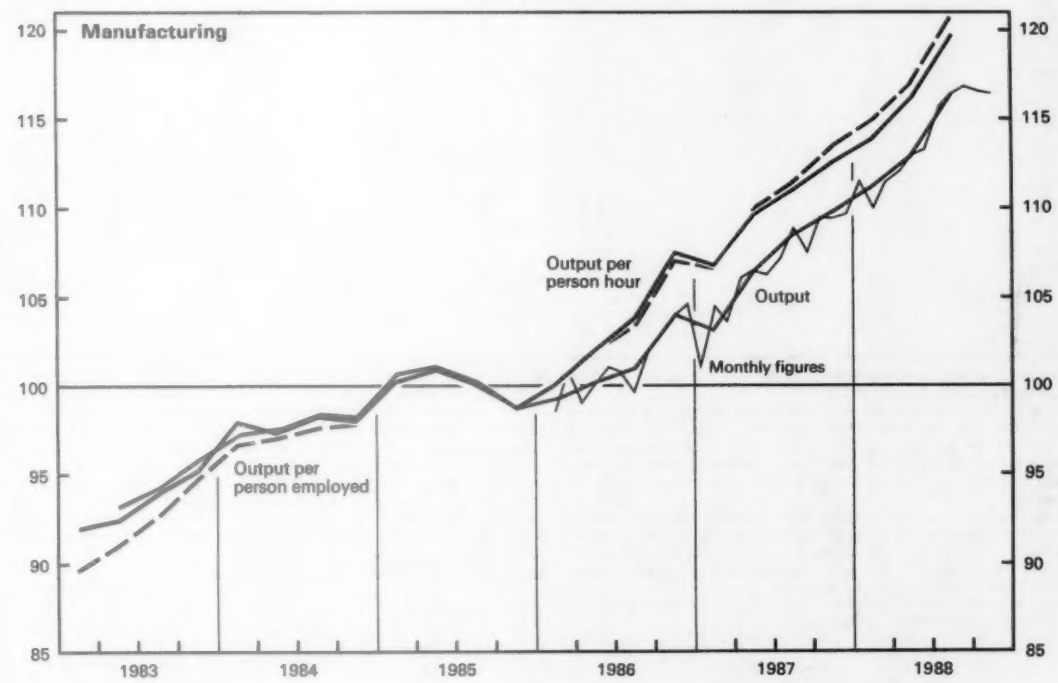
1 Comprises employees in employment, the self-employed and HM Forces.
2 The ratios do not take into account part-time working or hours of work.

Sources: Department of Employment; Central Statistical Office

Output per person employed

1985=100
seasonally adjusted





21 National employment and unemployment [1]

	Workforce[2,3] (thousands)	Workforce in employment[2,3,4] (thousands)	Employees in employment[2,3,4] (thousands)	Unemployed[5] Total (thousands)	Unemployed[5] Percentage of workforce[6]	Vacancies at job centres+[7] (thousands)	Employees in employment (GB) (thousands) Manufacturing industry	Employees in employment (GB) (thousands) Production industry	Total unemployed[5] (thousands) (NSA)
	DYDD	DYDC	BCAJ	BCJD	BCJE	DPCB	BCHK	DYCP	BCJA
1982	26 609	23 888	21 394	2 546.7	9.6	113.9	5 761	6 432	2 916.9
1983	26 632	23 611	21 052	2 790.5	10.5	137.3	5 430	6 069	3 104.7
1984	27 306	24 223	21 225	2 920.6	10.7	150.2	5 315†	5 922†	3 159.8
1985	27 820	24 607	21 495	3 035.7	10.9	162.1	5 272	5 852	3 271.2
1986	28 064	24 746	21 572	3 107.2	11.1	188.3	5 146	5 676	3 289.1
1987	28 288	25 296	21 806	2 822.3	10.0	235.0	5 056	5 544	2 953.4
1988	28 162†	25 737†	22 094†	2 294.7	8.1	245.1	5 007	5 458	2 370.4
1986 Q1	28 009	24 697	21 561	3 099.4	11.1	170.3	5 204	5 745	3 356.1
Q2	28 064	24 746	21 572	3 122.7	11.2	177.7	5 146	5 676	3 275.1
Q3	28 165	24 883	21 590	3 126.0	11.2	198.6	5 107	5 626	3 297.5
Q4	28 196	24 982	21 641	3 080.6	11.0	208.6	5 084	5 593	3 227.7
1987 Q1	28 206	25 079	21 702	3 010.5	10.7	214.1	5 053	5 548	3 222.1
Q2	28 288	25 296	21 806	2 900.5	10.3	228.3	5 056	5 544	2 999.6
Q3	28 291	25 455†	21 862	2 765.8	9.8	239.1	5 034	5 518	2 880.8
Q4	28 265	25 585	21 979	2 612.3	9.3	260.0	5 028	5 505	2 710.9
1988 Q1	28 264	25 697	22 084	2 486.1	8.8	249.9	5 029	5 491	2 659.9
Q2	28 162†	25 737	22 094†	2 363.6	8.4	255.2	5 007	5 458	2 434.6
Q3	28 116	25 860	22 143	2 228.2	7.9	244.3†	4 989	5 436	2 309.6
Q4	..	..	..	2 100.7	7.4	244.9	5 453†	6 447†	2 077.4
1986 Nov				3 086.6	11.0	209.9	5 092	5 602	3 216.8
Dec				3 059.0	10.9	209.0	5 084	5 593	3 229.2
1987 Jan				3 051.3	10.8	212.9	5 065	5 566	3 297.2
Feb				3 007.0	10.7	212.3	5 062	5 561	3 225.8
Mar				2 973.1	10.5	217.0	5 053	5 548	3 143.4
Apr				2 953.9	10.5	219.6	5 046	5 533	3 107.1
May				2 890.5	10.2	231.6	5 052	5 538	2 986.5
Jun				2 857.2	10.1	233.7	5 056	5 544	2 905.3
Jul				2 812.6	10.0	235.3	5 048	5 532	2 906.5
Aug				2 766.6	9.8	237.7	5 043	5 526	2 865.8
Sep				2 718.1	9.6	244.4	5 034	5 518	2 870.2
Oct				2 663.9	9.4	259.9	5 032	5 511	2 751.4
Nov				2 604.4	9.2	265.1	5 033	5 510	2 685.6
Dec				2 568.6	9.1	254.9	5 028	5 505	2 695.8
1988 Jan				2 519.4	8.9	250.8	5 034	5 505†	2 722.2
Feb				2 485.0	8.8	249.6	5 035	5 501	2 665.5
Mar				2 453.9	8.7	249.4	5 029	5 491	2 592.1
Apr				2 402.9	8.5	255.9	5 016	5 467	2 536.0
May				2 363.8	8.4	254.5	5 015	5 465	2 426.9
Jun				2 324.1	8.2	255.1	5 007	5 458	2 340.8
Jul				2 267.3	8.0	249.7	5 008	5 455	2 326.7
Aug				2 225.6	7.9	242.8†	5 008	5 454	2 291.2
Sep				2 191.7	7.8	240.3	4 989	5 436	2 311.0
Oct				2 157.9	7.7	251.2	4 982†	5 423	2 118.9
Nov				2 105.2	7.5	245.2	4 985	5 426	2 066.9
Dec				2 039.1	7.2	238.3	..	..	2 046.5
1989 Jan				..	7.0†	229.2	..	..	..

1 Unemployment figures do not include students registered for temporary employment during a current vacation.

2 The workforce consists of the workforce in employment and the unemployed (claimants); the workforce in employment comprises employees in employment, the self-employed, HM Forces and participants in work- related government training programmes. For an explanation of the changes to the presentation of employment statistics see *Employment Gazette*, August 1988.

3 Estimates of employees in employment from December 1984 onwards include an allowance based on the Labour Force Survey to compensate for persistent undercounting in the regular sample enquiries (see *Employment Gazette*, January 1987). For all dates, individuals with two jobs as employees of different employers are counted twice.

4 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December.

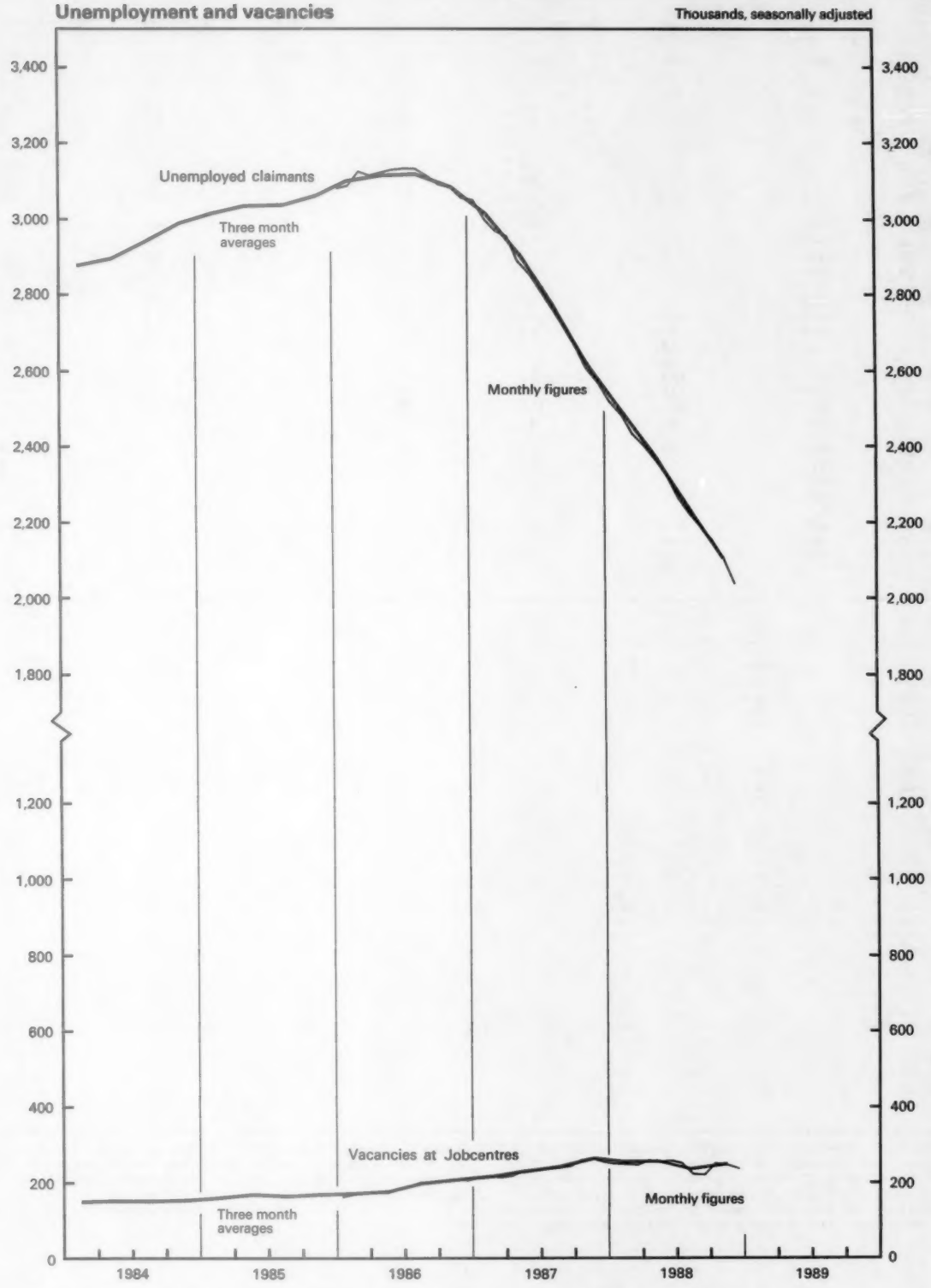
5 Unadjusted unemployment figures have been affected by changes in the coverage. The seasonally adjusted figures however, as given in this table, are estimated on the current basis, allowing for the discontinuities, and are therefore recommended for the purposes of assessing trends. The seasonally adjusted figures now relate only to claimants aged 18 or over in order to maintain the consistent series, available back to 1971 (1974 for the regions), allowing for the effect of the change in benefit regulations for under 18 year olds from September 1988. (See page 660 of the December 1988 *Employment Gazette*. See also page 422 of the October 1986 edition for the list of previous discontinuities taken into account.)

6 The denominator used to calculate unemployment rates is the workforce - see footnote 2.

7 Vacancies notified to job centres and remaining unfilled.

Source: Department of Employment

Unemployment and vacancies



22 Regional unemployment rates [1]

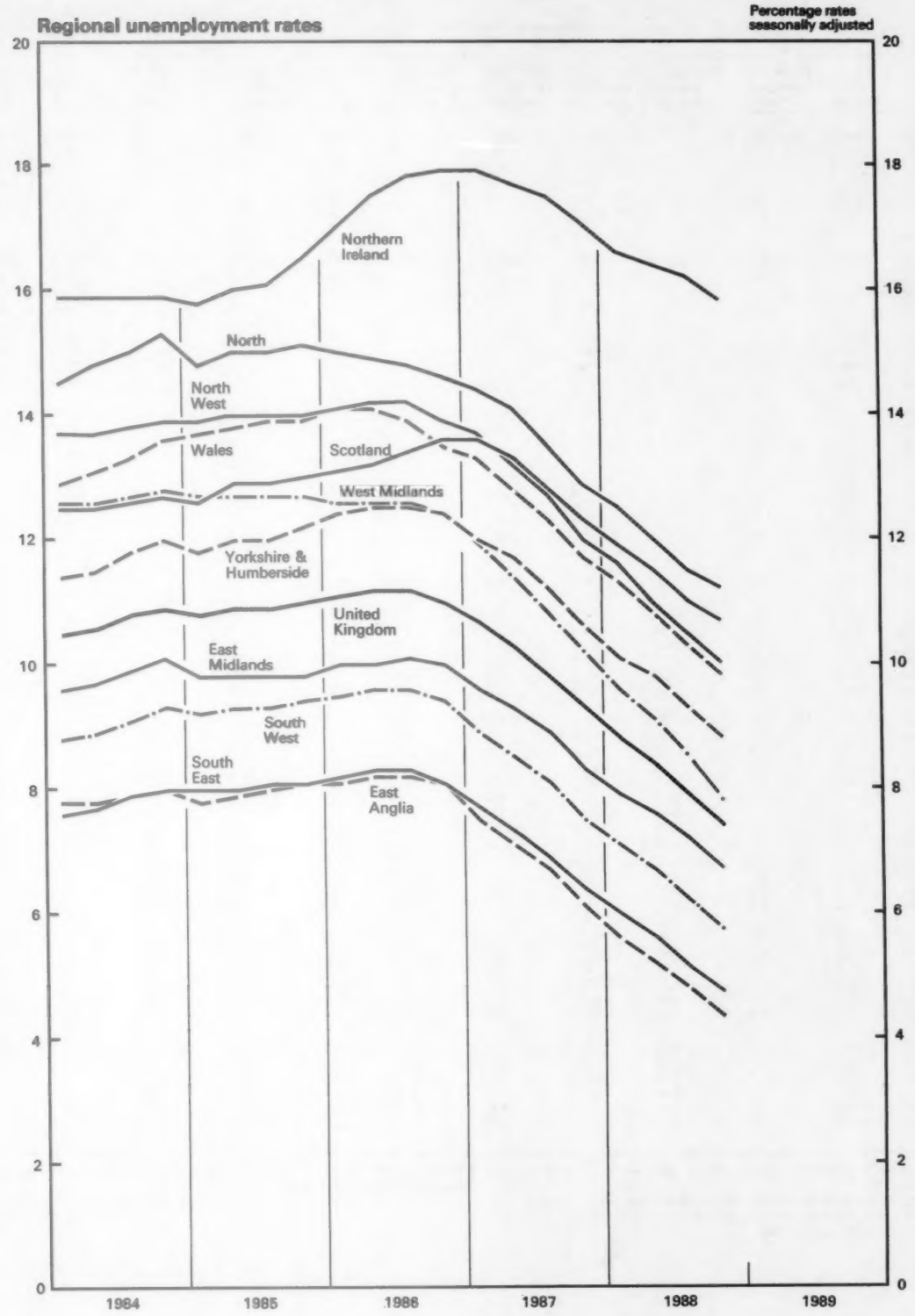
Percentages

	North	Yorkshire and Humberside	East Midlands	East Anglia	South East	South West	West Midlands
	DPBH	DPBI	DPBJ	DPBK	DPBL	DPBM	DPBN
1982 Q1	12.4	9.9	8.1	7.0	6.4	7.5	11.5
Q2	12.7	10.1	8.2	7.2	6.6	7.7	11.8
Q3	13.3	10.5	8.5	7.5	6.8	7.9	12.0
Q4	13.5	10.9	8.9	7.9	7.1	8.2	12.4
1983 Q1	14.0	11.2	9.2	7.9	7.3	8.5	12.7
Q2	14.3	11.4	9.5	8.0	7.5	8.7†	13.0
Q3	14.3	11.5	9.6	8.0	7.6	8.8	12.9
Q4	14.5	11.5	9.7	8.1	7.7	8.9	12.8
1984 Q1	14.5	11.5†	9.6	7.9†	7.6	8.8	12.6
Q2	14.8	11.6	9.7	7.8	7.7	8.8	12.6
Q3	15.0	11.8	9.9	8.0	7.8†	9.1	12.7
Q4	15.3	12.0	10.1	8.0	8.0	9.3	12.8
1985 Q1	14.8	11.9	9.9†	7.8	8.0	9.2	12.7
Q2	15.0	12.0	9.9	8.0	8.0	9.3	12.7
Q3	15.0	12.0	9.9	7.9	8.0	9.3	12.7
Q4	15.1	12.2	9.9	8.1	8.1	9.4	12.7
1986 Q1	15.0	12.4	9.9	8.1	8.2	9.5	12.6
Q2	14.9	12.5	9.9	8.2	8.3	9.6	12.6
Q3	14.8	12.6	10.0	8.2	8.2	9.6	12.6
Q4	14.6	12.4	9.9	8.1	8.1	9.4	12.4
1987 Q1	14.4	12.0	9.6	7.5	7.7	8.9	11.9
Q2	14.1	11.7	9.3	7.1	7.3	8.5	11.4
Q3	13.5	11.2	8.9	6.7	6.9	8.1	10.8
Q4	12.9	10.6	8.3	6.1	6.4	7.5	10.2
1988 Q1	12.5	10.1	7.9	5.6	6.0	7.1	9.6
Q2	12.0	9.8	7.6	5.2	5.6	6.7	9.1
Q3	11.5	9.3	7.2	4.8	5.1	6.2	8.5
Q4	11.2	8.8	6.7	4.3	4.7	5.7	7.8

	North West	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
	DPBO	DPBP	DPBQ	DPAJ	DPBR	BCJE
1983 Q1	13.2	12.8	12.1	10.1	15.1	10.3
Q2	13.5	13.0	12.3	10.3	15.4	10.5
Q3	13.6	12.9	12.4	10.4	15.7	10.6
Q4	13.8	13.0	12.4	10.5	15.8	10.6
1984 Q1	13.7	12.9	12.5	10.4	15.9	10.5
Q2	13.7	13.1	12.5	10.5	15.9	10.6
Q3	13.8	13.3	12.6	10.6	15.9	10.8
Q4	13.9	13.6	12.7	10.8	15.9	10.9
1985 Q1	13.9	13.7	12.6	10.7	15.8	10.8
Q2	14.0	13.8	12.9	10.8	16.0	10.9
Q3	14.0	13.9	12.9	10.8	16.1	10.9
Q4	14.0	13.9	13.0	10.9	16.5	11.0
1986 Q1	14.1	14.1	13.1	10.9	17.0	11.1
Q2	14.2	14.1	13.2	11.0	17.5	11.2
Q3	14.2	13.9	13.4	11.0	17.8	11.2
Q4	13.9	13.5	13.6	10.8	17.9	11.0
1987 Q1	13.7	13.3	13.6	10.5	17.9	10.7
Q2	13.2	12.8	13.3	10.1	17.7	10.3
Q3	12.7	12.3	12.8	9.6	17.5	9.8
Q4	12.0	11.7	12.3	9.1	17.1	9.3
1988 Q1	11.6	11.3	11.9	8.6	16.6	8.8
Q2	11.0	10.8	11.5	8.2	16.4	8.4
Q3	10.5	10.3	11.0	7.7	16.2	7.9
Q4	10.0	9.8	10.7	7.2	15.8	7.4

1 The seasonally adjusted figures now relate only to claimants aged 18 or over in order to maintain the consistent series, available back to 1971 (1974 for the regions), allowing for the effect of the change in benefit regulations for under 18 year olds from September 1988. (See page 660 of the December 1988 *Employment Gazette*. See also page 422 of the October 1986 edition for the list of previous discontinuities taken into account.) The denominators used to calculate unemployment rates are the sum of the appropriate mid-year estimates of employees in employment and the unemployed, the self-employed, HM Forces and participants in work-related government training programmes. Recent figures are based on mid-1987 estimates.

Source: Department of Employment


Regional unemployment rates
Percentage rates seasonally adjusted
20
18
16
14
12
10
8
6
4
2
0
Northern Ireland
North
North West
Wales
Scotland
West Midlands
Yorkshire & Humberside
United Kingdom
East Midlands
South West
South East
East Anglia
1984
1985
1986
1987
1988
1989

23 Average earnings

1985 = 100

	Average earnings (GB)[1]									Wages and salaries per unit of output	
	Whole economy	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Production industries	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Manufacturing industry	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Whole economy[3]	Manufacturing industry
	DNAA	DNDZ		DNAE	DNED		DNAC	DNEH		DJDO	DMBG
1984	92.2	*6.0*		89.8	*5.8*		91.7	*8.6*		94.9	94.3
1985	100.0	*8.5*		100.0	*11.4*		100.0	*9.1*		100.0	100.0
1986	107.9	*7.9*		108.0	*8.0*		107.7	*7.7*		105.4	104.5
1987	116.3	*7.8*		116.7	*8.1*		116.3	*8.0*		110.0	105.4
1988	126.4†	*8.7*†		126.5	*8.4*		126.2	*8.5*		..	106.4
	DNAB	DNEA	DNEM	DNAF	DNEE	DNEN	DNAD	DNEI	DNEO	DJDO	DMBG
1985 Q2	99.0	*8.9*		99.0	*12.6*		99.3	*10.0*		98.6	98.3†
Q3	101.1	*9.2*		101.3	*12.4*		100.9	*9.1*		101.0	101.1
Q4	102.5	*7.8*		103.1	*11.2*		102.8	*8.4*		102.3	103.9
1986 Q1	105.1	*8.7*		105.2	*10.2*		104.7	*7.8*		103.9	104.7
Q2	107.0	*8.1*		106.8	*7.9*		106.7	*7.5*		104.9	104.7
Q3	108.6	*7.4*		108.6	*7.2*		108.2	*7.2*		105.8	104.8
Q4	110.7	*8.0*		111.3	*8.0*		111.0	*8.0*		106.9	103.7
1987 Q1	112.7	*6.9*		113.2	*7.6*		112.8	*7.7*		108.1	105.9
Q2	115.1	*7.6*		115.2	*7.9*		114.9	*7.7*		109.5	104.6
Q3	117.2	*7.9*		117.7	*8.4*		117.4	*8.5*		110.1	105.1
Q4	120.0	*8.4*		120.5	*8.3*		120.2	*8.3*		112.3	106.0
1988 Q1	122.6	*8.8*		121.8	*7.6*		122.0	*8.2*		113.8	106.5
Q2	124.6	*8.3*		125.6	*9.0*		125.0	*8.8*		115.0	107.0
Q3	127.0	*8.4*		127.5	*8.3*		127.0	*8.2*		116.4	104.9
Q4	131.5†	*9.6*†		131.0†	*8.7*†		130.6†	*8.7*†		..	107.1
1986 Jun	107.4	*8.0*	*7.50*	107.1	*7.5*	*8.00*	107.2	*7.7*	*7.75*		103.6†
Jul	108.3	*8.1*	*7.50*	107.5	*6.8*	*8.00*	107.3	*6.9*	*7.75*		104.0
Aug	108.8	*8.0*	*7.50*	108.8	*8.0*	*7.75*	108.3	*7.8*	*7.75*		106.3
Sep	108.8	*6.3*	*7.50*	109.5	*6.7*	*7.75*	109.0	*7.0*	*7.75*		104.2
Oct	109.9	*8.4*	*7.50*	110.3	*8.0*	*7.75*	110.0	*7.8*	*7.75*		103.7
Nov	110.9	*8.2*	*7.75*	111.3	*7.7*	*8.00*	110.9	*8.0*	*7.75*		103.6
Dec	111.2	*7.4*	*7.75*	112.4	*8.2*	*8.00*	112.1	*8.2*	*8.00*		103.8
1987 Jan	112.1	*7.6*	*7.50*	112.7	*7.6*	*7.75*	112.2	*7.7*	*7.75*		107.5
Feb	112.8	*7.5*	*7.50*	113.5	*7.9*	*8.00*	113.1	*8.1*	*8.00*		104.6
Mar	113.2	*6.8*	*7.50*	113.4	*7.4*	*8.00*	113.2	*7.6*	*8.00*		105.7
Apr	114.2	*6.3*	*7.75*	114.6	*7.2*	*8.00*	114.4	*6.9*	*8.00*		104.3
May	115.4	*8.7*	*7.75*	115.2	*8.3*	*8.00*	114.7	*8.2*	*8.00*		104.2
Jun	115.7	*7.7*	*7.75*	115.7	*8.0*	*8.25*	115.7	*7.9*	*8.25*		105.5
Jul	117.0	*8.0*	*7.75*	116.9	*8.7*	*8.25*	116.9	*8.9*	*8.25*		105.3
Aug	117.1	*7.6*	*7.75*	117.7	*8.2*	*8.25*	117.0	*8.0*	*8.50*		103.9
Sep	117.4	*7.9*	*7.75*	118.6	*8.3*	*8.25*	118.2	*8.4*	*8.50*		106.1
Oct	118.8	*8.1*	*8.00*	119.9	*8.7*	*8.25*	119.4	*8.5*	*8.25*		105.3
Nov	120.2	*8.4*	*8.25*	120.1	*7.9*	*8.25*	119.8	*8.0*	*8.25*		105.8
Dec	121.0	*8.8*	*8.50*	121.5	*8.1*	*8.25*	121.4	*8.3*	*8.25*		106.9
1988 Jan	121.8	*8.7*	*8.50*	121.7	*8.0*	*8.50*	121.7	*8.5*	*8.50*		105.7
Feb	122.0	*8.2*	*8.50*	120.7	*6.3*	*8.50*	121.1	*7.1*	*8.50*		106.8
Mar	124.0	*9.5*	*8.50*	123.1	*8.6*	*8.25*	123.2	*8.8*	*8.50*		106.9
Apr	124.4	*8.9*	*8.50*	125.8	*9.6*	*8.50*	125.2	*9.4*	*8.75*		107.9
May	124.2	*7.6*	*8.50*	126.0	*9.4*	*8.50*	124.9	*8.9*	*8.75*		106.7
Jun	125.1	*8.1*	*8.75*	125.3	*8.3*	*9.00*	125.0	*8.0*	*9.00*		106.3
Jul	126.9	*8.5*	*9.00*	127.0	*8.6*	*9.00*	126.6	*8.3*	*9.00*		105.1
Aug	126.6	*8.1*	*9.25*	127.2	*8.1*	*9.00*	126.7	*8.3*	*8.75*		104.8
Sep	127.6	*8.7*	*9.25*	128.3	*8.2*	*8.75*	127.6	*8.0*	*8.75*		104.7
Oct	129.5	*9.0*	*9.00*	130.1	*8.5*	*8.75*	129.2	*8.2*	*8.50*		105.8
Nov	130.7	*8.7*	*8.75*	130.4	*8.6*	*8.75*†	130.2	*8.7*	*8.75*		106.4
Dec	134.2†	*10.9*†	*8.75*†	132.6†	*9.1*†	*8.75*	132.5†	*9.1*†	*8.75*†		109.2

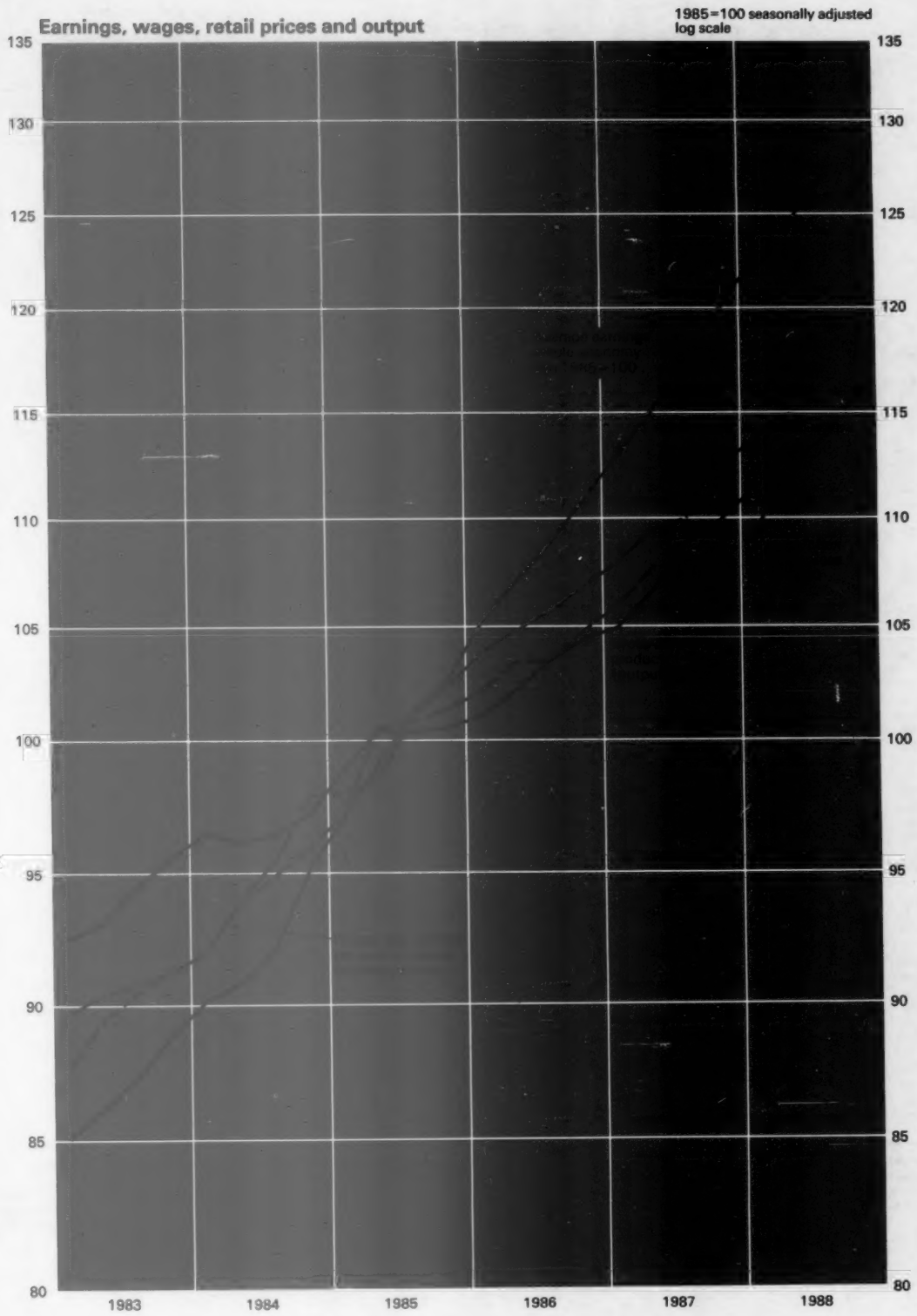
1 The seasonal adjustment factors currently used are based on data up to January 1988.

2 Estimated to the nearest quarter of one percentage point. For the derivation of recent underlying changes see 'Employment Topics' item in *Employment Gazette*, December 1988.

3 The method for calculating whole economy unit wage costs is described in *Employment Gazette*, May 1986.

Sources: Department of Employment; Central Statistical Office

Earnings, wages, retail prices and output



24 Prices

1985 = 100

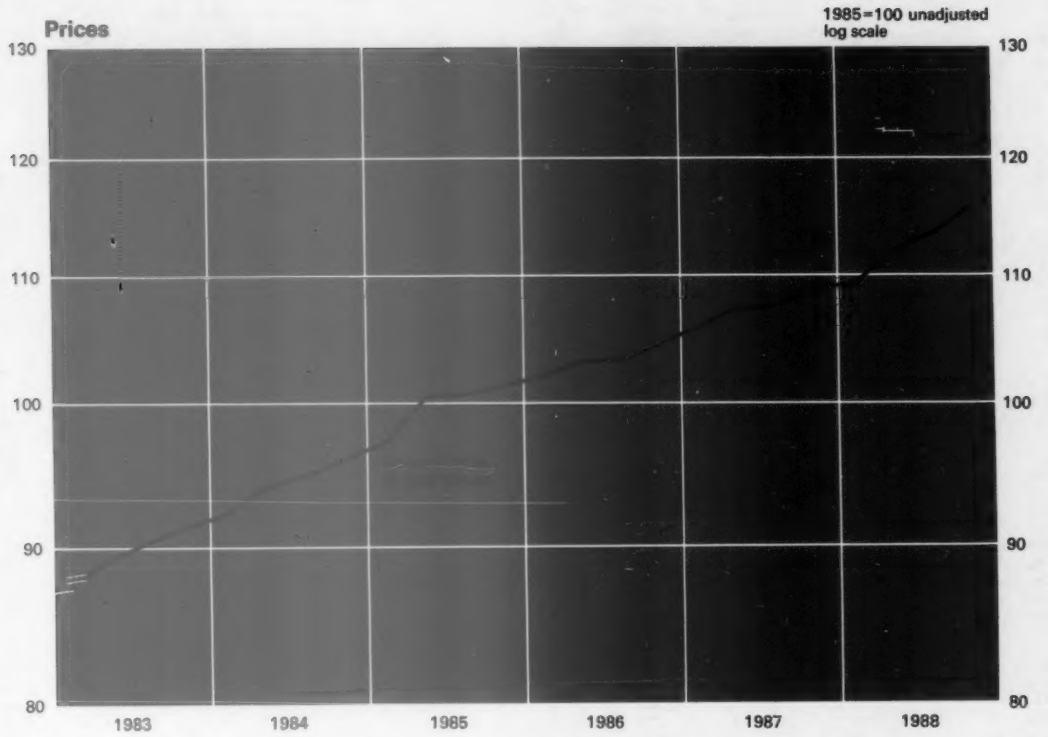
	Producer price index		General index of retail prices[1] (NSA)						Pensioner price index[2] (NSA)		
			All items				All items other than seasonal food				
	Materials and fuel purchased by manufacturing industry	Output: all manufactured products: home sales (NSA)	Index	Percentage increase on year earlier	Total food	Total non-food	Index	Percentage increase on year earlier	One-person household	Two-person household	Purchasing power of the pound[3] (NSA)
	DZDQ	DZCV	FRAG	FRAN	FRAH	FRAI	FRAK	FRAO	FRAL	FRAM	FJAK
1980	73.3	72.2	70.7	*18.0*	76.1	69.4	70.7	*18.4*	71.4	71.3	142
1981	80.1†	79.1	79.1	*11.9*	82.5	78.2	79.1	*11.9*	79.5	79.5	127
1982	86.0	85.2	85.9	*8.6*	89.0	85.1	85.8	*8.5*	86.9	86.7	117
1983	91.9	89.8	89.8	*4.6*	91.8	89.4	89.8	*4.7*	90.8	90.7	111
1984	99.0	95.0	94.3	*5.0*	97.0	93.6	94.1	*4.7*	95.4	95.3	106
1985	100.0	100.0	100.0	*6.1*	100.0	100.0	100.0	*6.3*	100.0	100.0	100
1986	92.4	104.3	103.4	*3.4*	103.3	103.5	103.3	*3.3*	103.2	103.2	97
1987	95.3	108.3	107.7	*4.2*	106.4	108.0	107.6	*4.1*	105.6	105.8	93
1988	98.4	113.2	113.0	*4.9*	110.1	113.6	112.9	*5.0*	109.5	109.8	88
1984 Q4	101.7	96.5	96.0	*4.8*	97.2	95.8	96.1	*5.2*	96.6	96.6	104
1985 Q1	103.1†	98.2	97.2	*5.5*	99.0	96.8	97.2	*5.9*	98.1	98.1	103
Q2	101.8	99.9	100.6	*7.0*	100.9	100.5	100.4	*7.3*	100.4	100.4	99
Q3	98.6	100.5	100.8	*6.3*	99.8	101.1	101.0	*6.6*	100.3	100.3	99
Q4	96.4	101.4	101.3	*5.5*	100.4	101.6	101.4	*5.6*	101.2	101.2	99
1986 Q1	94.5	102.8	102.1	*4.9*	102.1	102.0	102.0	*5.0*	102.2	102.1	98
Q2	91.8	104.2	103.4	*2.8*	103.9	103.2	103.1	*2.7*	103.4	103.3	97
Q3	90.4	104.6	103.5	*2.6*	103.5	103.5	103.4	*2.4*	103.4	103.4	97
Q4	92.8	105.5	104.8	*3.4*	103.6	105.1	104.8	*3.3*	103.8	103.9	95
1987 Q1	93.9	106.9	106.1	*3.9*	105.8	106.2	105.9	*3.8*	104.7	104.8	94
Q2	94.8	108.0	107.7	*4.2*	107.2	107.8	107.4	*4.1*	105.7	105.9	93
Q3	96.5	108.6	107.9	*4.3*	105.8	108.4	107.9	*4.4*	105.4	105.7	93
Q4	95.9	109.8	109.1	*4.1*	107.1	109.6	109.1	*4.1*	106.5	106.9	92
1988 Q1	95.7	111.0	109.6	*3.5*	108.9	109.9	109.4	*3.3*	107.4	107.8	91
Q2	98.4	112.6	112.3	*4.3*	110.1	112.7	112.1	*4.4*	109.2	109.5	89
Q3	99.9	113.9	113.8	*5.5*	109.9	114.6	113.9	*5.5*	110.0	110.3	88
Q4	99.6	115.2	116.2	*6.5*	111.3	117.2	116.4	*6.6*	113.3	111.6	86
1987 Jan	93.7†	106.6	105.7	*3.9*	105.3	105.8	105.6	*3.8*			95
Feb	93.9	106.9	106.1	*3.9*	106.0	106.3	105.9	*3.7*			94
Mar	94.2	107.2	106.4	*4.0*	106.0	106.5	106.2	*4.0*			94
Apr	94.6	107.7	107.6	*4.2*	106.9	107.7	107.3	*4.1*			93
May	94.3	108.1	107.7	*4.1*	107.6	107.7	107.4	*4.1*			93
Jun	95.6	108.2	107.7	*4.2*	106.9	107.9	107.5	*4.3*			93
Jul	96.6	108.4	107.6	*4.4*	105.7	108.1	107.6	*4.4*			93
Aug	96.7	108.6	107.9	*4.4*	106.0	108.4	107.9	*4.4*			93
Sep	96.3	108.9	108.3	*4.2*	105.7	108.8	108.3	*4.3*			92
Oct	96.5	109.6	108.8	*4.5*	106.4	109.3	108.9	*4.6*			92
Nov	95.6	109.8	109.3	*4.1*	106.9	109.9	109.4	*4.2*			91
Dec	95.6	110.0	109.2	*3.7*	107.8	109.5	109.1	*3.6*			92
1988 Jan	95.4	110.6	109.2	*3.3*	108.3	109.4	109.1	*3.3*			92
Feb	95.7	111.0	109.6	*3.3*	109.1	109.9	109.4	*3.3*			91
Mar	96.0	111.4	110.1	*3.5*	109.4	110.3	109.8	*3.4*			91
Apr	96.9	112.2	111.9	*3.9*	109.9	112.2	111.6	*4.0*			89
May	98.2	112.6	112.3	*4.2*	110.2	112.6	112.0	*4.3*			89
Jun	100.1	113.0	112.7	*4.6*	110.3	113.1	112.6	*4.7*			89
Jul	100.5	113.5	112.8	*4.8*	109.5	113.5	112.9	*4.9*			89
Aug	99.8	113.9	114.1	*5.7*	109.9	114.8	114.1	*5.8*			88
Sep	99.3	114.3	114.6	*5.9*	110.3	115.5	114.8	*5.9*			87
Oct	99.0	114.9	115.8	*6.4*	110.4	116.9	115.9	*6.5*			86
Nov	99.7	115.2	116.3	*6.4*	111.3	117.4	116.5	*6.5*			86
Dec	100.2	115.4	116.6	*6.8*	112.1	117.5	116.7	*7.0*			86
1989 Jan	100.8	116.5†	117.4†	*7.5*†	113.1†	118.2†	117.4†	*7.6*†			85†

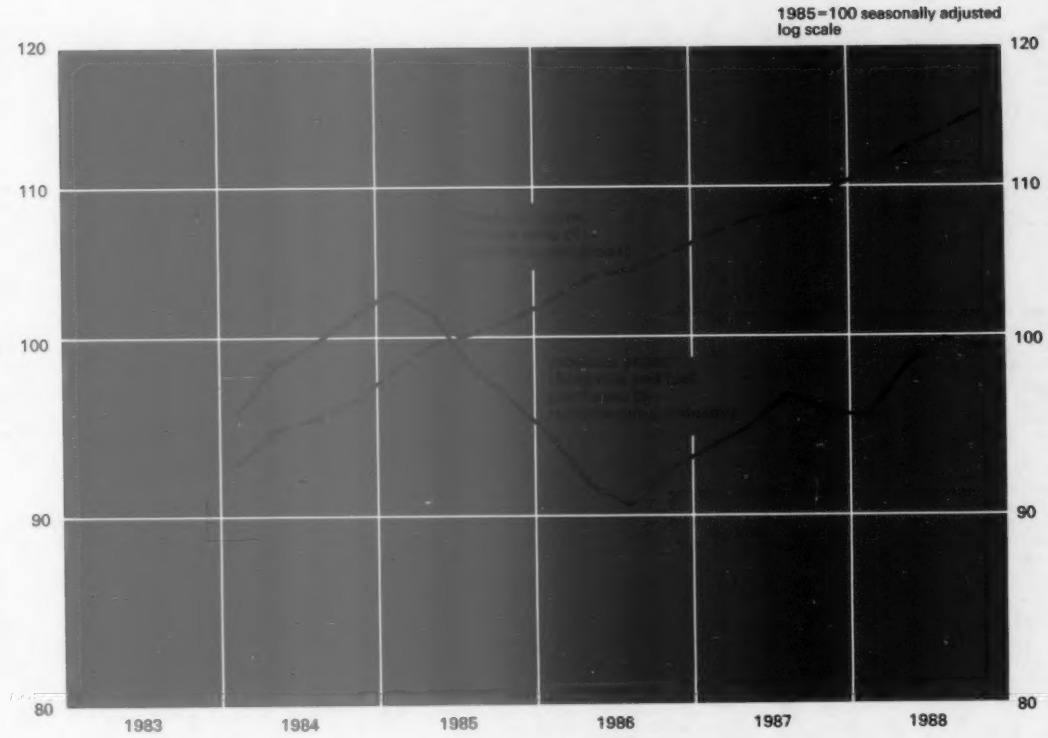
1 The index numbers given here are for comparative purposes only and should not be regarded as accurate to the last digit shown. The official Retail Prices Index series is shown in Table 1.

2 All items except housing.

3 Movements in the purchasing power of the pound are based on movements in the General index of retail prices.

Sources: Department of Trade and Industry; Department of Employment; Central Statistical Office


Prices
1985=100 unadjusted
log scale
130
120
110
100
90
80
1983
1984
1985
1986
1987
1988


1985=100 seasonally adjusted
log scale
120
110
100
90
80
1983
1984
1985
1986
1987
1988

25 Visible trade (on a balance of payments basis)

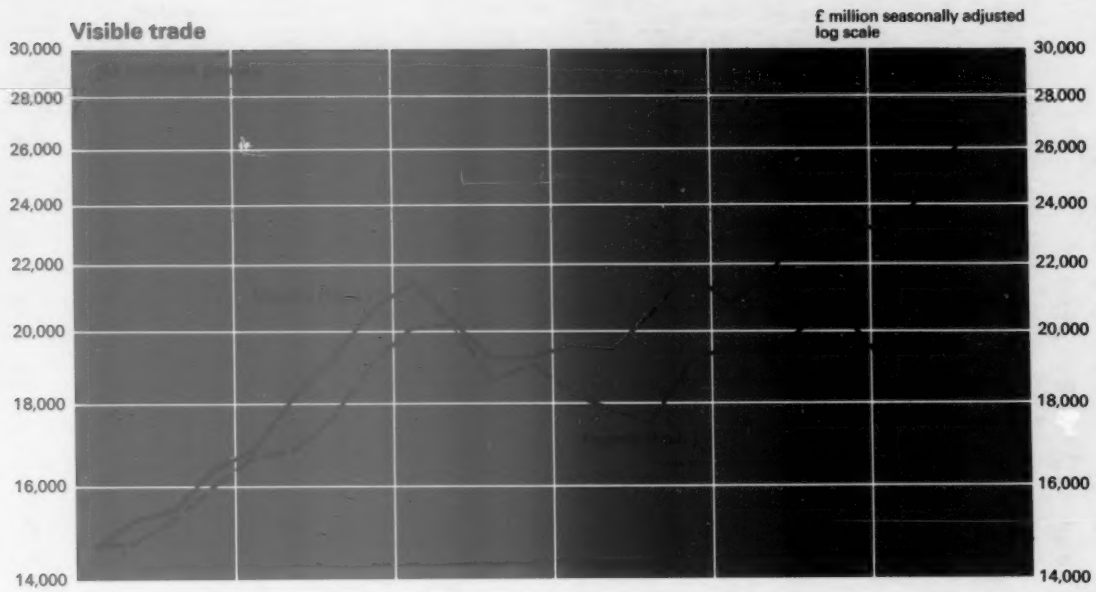
1985 = 100

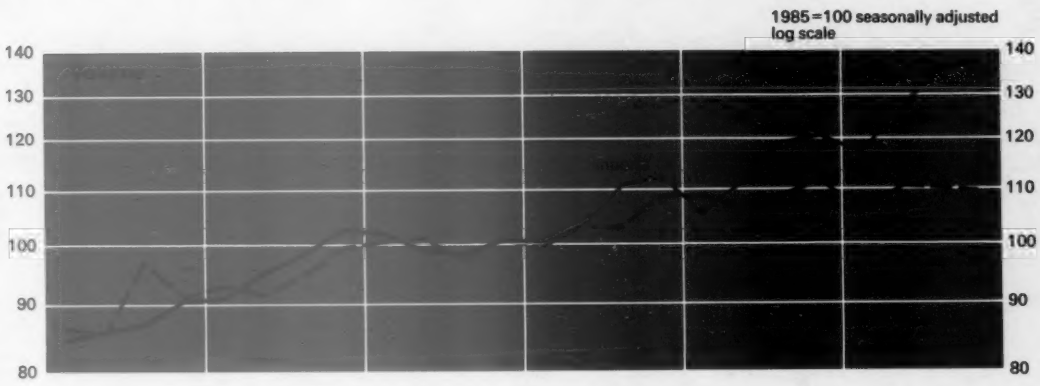
	Volume indices		Unit value indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade[1]
	CGTR	CGTS	CGTO	CGTP	CGTQ
1981	83.3	75.9	76.2	74.2	102.7
1982	85.6	80.1	81.4	80.2	101.5
1983	87.6	87.0	88.0	87.8	100.2
1984	94.7	96.9	95.0	95.5	99.4
1985	100.0	100.0	100.0	100.0	100.0
1986	103.6	107.0	91.8	96.0	95.7
1987	109.0	114.4	95.5	98.5	96.9
1988	109.3	129.3	97.1	99.0	98.1
1986 Q1	99.7	100.7	95.3	97.2	98.1
Q2	103.1	103.5	90.2	94.5	95.5
Q3	103.0	110.8	89.4	94.0	95.1
Q4	108.7	112.8	92.3	98.1	94.1
1987 Q1	108.8	105.9	94.7	100.0	94.7
Q2	106.2	111.3	95.2	97.5	97.6
Q3	109.2	119.5	96.2	98.2	97.9
Q4	111.9	120.8	95.8	98.2	97.6
1988 Q1	106.2	117.1	95.4	98.4	97.0
Q2	110.8	126.6	96.5	98.0	98.5
Q3	110.2	136.2	98.6	99.5	99.1
Q4	109.9	137.3	98.0	100.2	97.8
1986 Jan	100.6	97.3	97.4	98.1	101.3
Feb	101.7	100.1	95.1	97.5	97.6
Mar	96.9	104.6	93.4	97.9	95.4
Apr	104.5	99.7	90.7	95.6	94.9
May	102.5	104.0	89.7	94.1	95.3
Jun	102.2	106.7	90.3	93.8	96.2
Jul	105.5	110.7	88.8	93.3	95.2
Aug	97.5	111.9	89.2	93.6	95.3
Sep	105.9	110.0	90.2	95.2	94.7
Oct	107.0	112.9	92.1	97.2	94.8
Nov	110.6	114.6	92.2	98.0	94.1
Dec	108.6	111.0	92.6	99.1	93.5
1987 Jan	105.6	105.4	94.2	99.8	94.4
Feb	113.4	108.3	94.9	100.2	94.7
Mar	107.4	104.1	95.0	100.1	95.0
Apr	110.6	108.7	95.1	98.3	96.8
May	104.2	113.3	94.9	97.1	97.7
Jun	103.7	111.8	95.4	97.1	98.3
Jul	108.8	117.8	95.3	97.8	97.4
Aug	106.4	122.7	96.7	98.5	98.2
Sep	112.2	118.0	96.5	98.4	98.1
Oct	110.6	118.1	96.5	98.2	98.3
Nov	113.4	122.1	95.9	98.5	97.3
Dec	111.7	122.2	95.0	97.8	97.2
1988 Jan	108.0	118.9	95.0	97.9	97.0
Feb	103.3	117.3	95.5	98.3	97.1
Mar	107.2	115.1	95.7	98.8	96.8
Apr	113.0	123.3	96.6	98.4	98.2
May	107.7	126.4	96.5	97.8	98.7
Jun	111.8	130.2	96.5	97.7	98.7
Jul	107.6	144.9	97.8	99.2	98.6
Aug	104.5	130.2	99.3	99.5	99.8
Sep	118.6	133.6	98.6	99.8	98.9
Oct	107.0	142.4	98.0	100.4	97.6
Nov	109.9	133.6	97.6	100.2	97.4
Dec	112.8	136.0	98.6	100.0	98.5

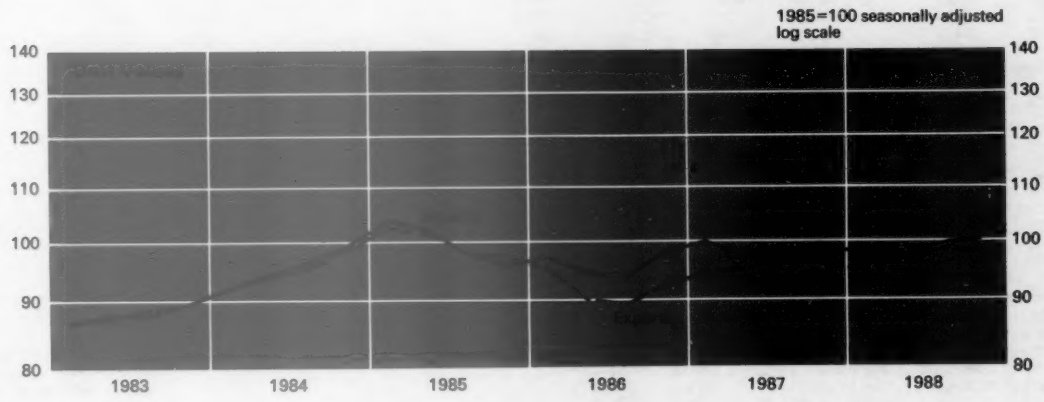
1 Unit value index for exports expressed as a percentage of unit value index for imports.

Source: Department of Trade and Industry

Visible trade







26 Measures of UK competitiveness in trade in manufactures

1985 = 100

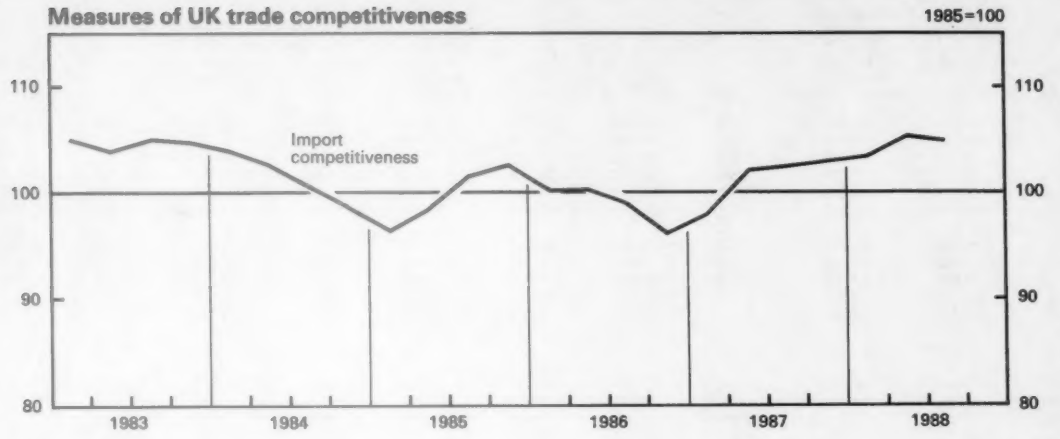
	Summary measures						Export unit value index[2]				
	Relative export prices[1]	Relative producer prices[1]	IMF index of relative unit labour costs[2] Actual	IMF index of relative unit labour costs[2] Normalised	Import price competitiveness[3]	Relative profitability of exports[3]	United Kingdom	United States	Japan	France	Federal Republic of Germany
	FLAA	FLAB	FLAC	FLAD	FLAE	FLAF	FLAG	FLAH	FLAI	FLAJ	FLAK
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100	100
1986	96.5	95.8	93.8	95.4	99.2	102.2	117.2	103	121	125	133
1987	100.8†	96.6	93.1	98.5	101.5	102.3	136.8	105	131	136	156
1988	..	..	..	..	104.8†	102.9†	155.9†	..	..	..	..
1986 Q4	91.6	90.4	86.4†	91.0	96.5	103.4	118.5	105	124	131	142
1987 Q1	95.9	92.5	89.1	93.4	98.3	103.3	127.4	104	126	133	154
Q2	101.3	97.0	93.1	97.9	102.1	102.4	136.7	105	131	136	154
Q3	100.9	97.2	92.9	99.1	102.5	101.8	135.3	107	132	134	153
Q4	104.9†	99.8	97.4	103.4	103.2	101.6	147.7	105	137	142	163
1988 Q1	107.1	101.0†	100.1	104.9†	103.7	102.1	153.6†	106	144	147	162
Q2	111.3	105.4	102.1	109.6	105.3	102.3	159.9	110	146	146	162†
Q3	110.9	104.3	100.9	108.2	105.0	103.9	150.6	114†	138†	134†	151
Q4	..	..	..	..	105.3†	103.2†	159.6	..	..	..	..
Percentage change, quarter on corresponding quarter of previous year											
1986 Q4	*-10.2*	*-11.7*	*-16.3*	*-11.4*	*-6.1*	*4.1*	*5.4*	*5.0*	*14.8*	*18.0*	*25.7*
1987 Q1	*-2.1*	*-5.0*	*-8.5*	*-3.3*	*-2.2*	*2.7*	*12.3*	*3.0*	*10.5*	*10.8*	*24.2*
Q2	*0.6*	*-3.7*	*-5.8*	*-1.6*	*1.5*	*0.5*	*14.3*	*2.9*	*8.3*	*12.4*	*20.3*
Q3	*5.1*	*2.6*	*0.5*	*4.5*	*3.2*	*-1.0*	*13.3*	*2.9*	*6.5*	*3.9*	*11.7*
Q4	*14.5*	*10.4*	*12.7*	*13.6*	*6.9*	*-1.7*	*26.8*	*-*	*10.5*	*8.4*	*14.8*
1988 Q1	*11.7*	*9.2*	*12.3*	*12.3*	*5.5*	*-1.2*	*20.6*	*1.9*	*14.3*	*10.5*	*5.2*
Q2	*9.9*	*8.7*	*9.7*	*12.0*	*3.1*	*-0.1*	*17.0*	*4.8*	*11.5*	*7.4*	*5.2*
Q3	*9.9*	*7.3*	*8.6*	*9.2*	*2.4*	*2.1*	*11.3*	*6.5*	*4.5*	*-*	*-1.3*
Q4	*..*	*..*	*..*	*..*	*2.0*	*1.6*	*8.1*	*..*	*..*	*..*	*..*

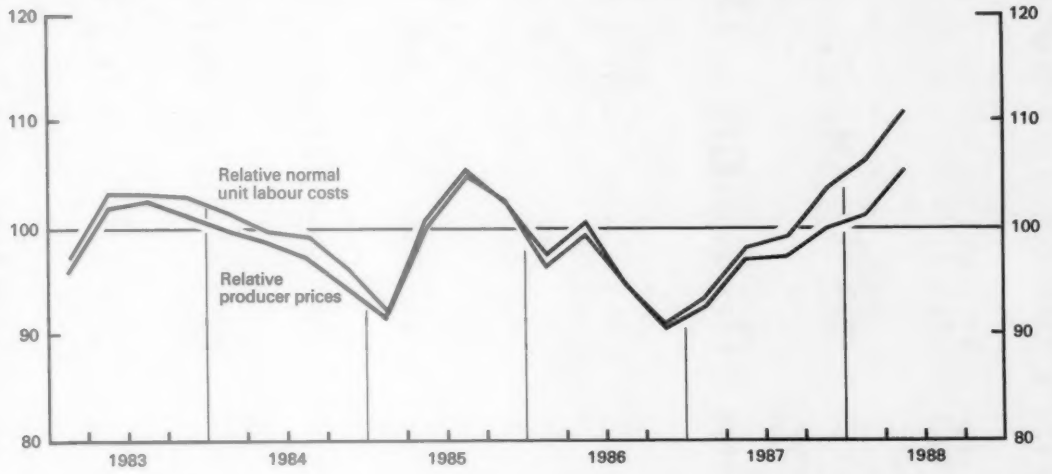
	Producer price index[2]					Unit labour costs index[2]				
	United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom[4]	United States	Japan	France	Federal Republic of Germany
	FLAL	FLAM	FLAN	FLAO	FLAP	FLAQ	FLAR	FLAS	FLAT	FLAU
1984	97.4	99.6	101.0	96.2	100.5	97	98	99	96	103
1985	100.0	100.0	100.0	100.0	100.0	100	100	100	100	100
1986	118.1	97.8	131.1	129.9	131.6	118	100	147	131	140
1987	137.1	100.4	147.4	152.6	154.7	133	100†	185	152	175†
1986 Q4	116.4	97.6	133.9	137.3	138.9	114	100	155	139	154
1987 Q1	127.2	98.7	139.1	148.4	150.9	126	100	161	151	171
Q2	136.9	100.0	148.3	152.0	153.3	132	100	170	152	173
Q3	135.5	101.0	145.3	150.0	151.1	131†	100	160	149	171
Q4	148.6	101.8	156.9	159.9	163.5	143	100	170	158	184
1988 Q1	153.9†	102.8†	164.6	162.3	166.4	147	100	177	156†	188
Q2	160.4	103.8	167.1	160.8	164.3	151	100	182	154	184
Q3	148.7	104.7	158.4†	147.6†	151.1†	137	100	170†	140	167
Percentage change, quarter on corresponding quarter of previous year										
1986 Q4	*3.7*	*-2.7*	*20.1*	*20.3*	*22.9*	*-0.9*	*-*	*32.5*	*20.9*	*35.1*
1987 Q1	*11.5*	*-0.2*	*15.1*	*19.7*	*22.1*	*8.6*	*-*	*23.8*	*18.9*	*33.6*
Q2	*12.7*	*2.6*	*13.7*	*20.9*	*20.2*	*8.2*	*-*	*18.1*	*20.6*	*29.1*
Q3	*12.5*	*3.9*	*4.2*	*13.1*	*11.0*	*9.2*	*-*	*1.3*	*11.2*	*17.1*
Q4	*27.7*	*4.3*	*17.2*	*16.5*	*17.7*	*25.4*	*-*	*9.7*	*13.7*	*19.5*
1988 Q1	*21.0*	*4.2*	*18.3*	*9.4*	*10.3*	*16.7*	*-*	*9.9*	*3.3*	*9.9*
Q2	*17.2*	*3.8*	*12.7*	*5.8*	*7.2*	*14.4*	*-*	*7.1*	*1.3*	*6.4*
Q3	*9.7*	*3.7*	*9.0*	*-1.8*	*-*	*4.6*	*-*	*6.3*	*-6.0*	*-2.3*

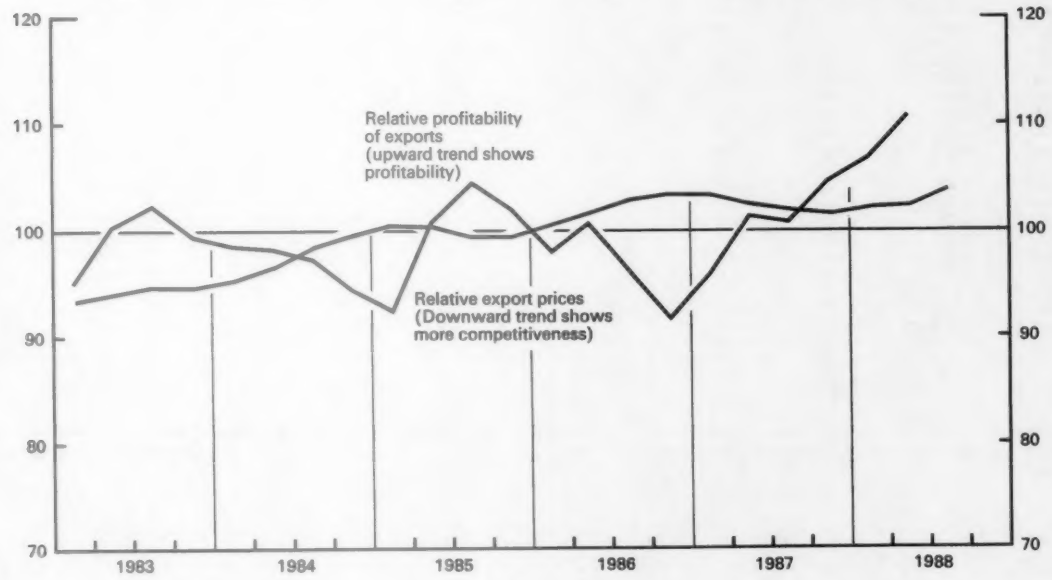
1 Figures are base weighted using 1985 export data. Downwards movements indicate greater competitiveness.
2 All the indices are in terms of US dollars.
3 Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
4 The method for calculating whole economy unit wage costs is described in *Employment Gazette*, May 1986.

Sources: Department of Trade and Industry; Department of Employment; International Monetary Fund

Measures of UK trade competitiveness 1985=100







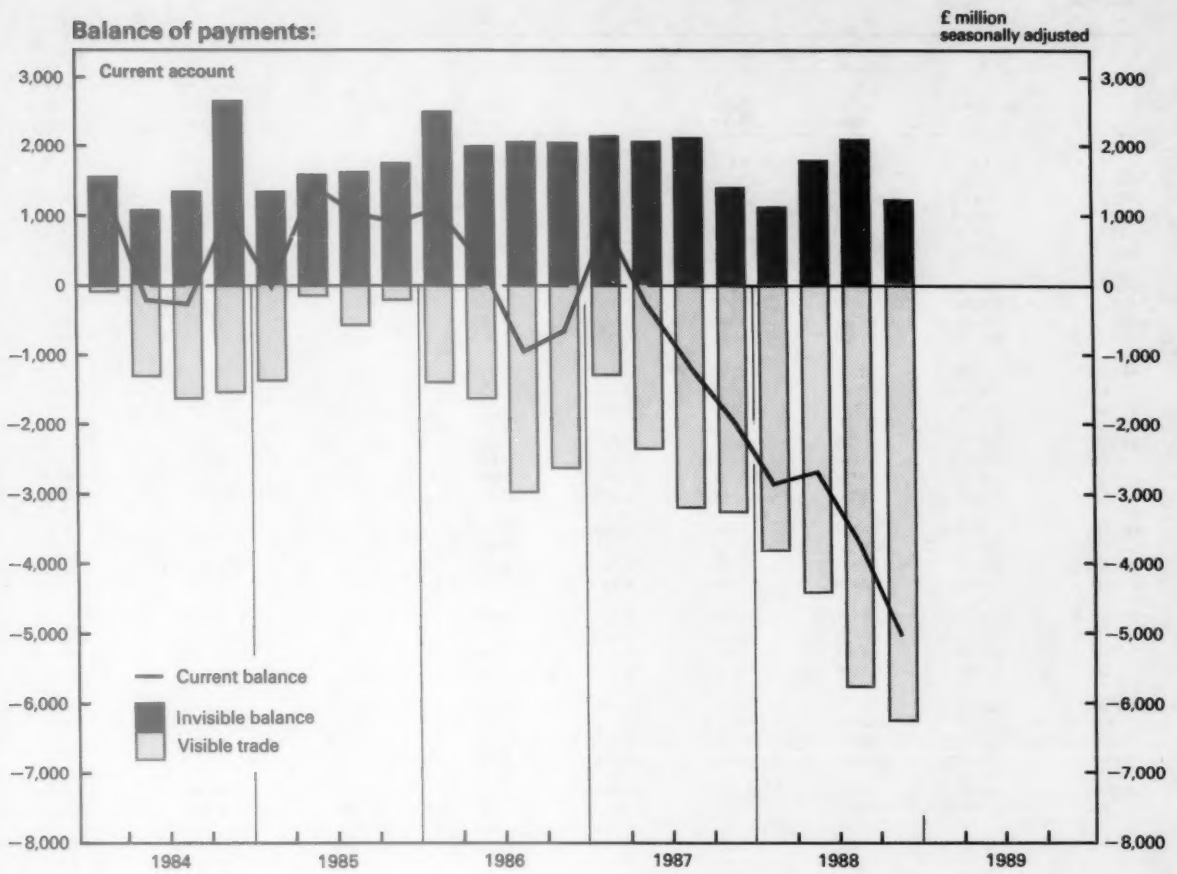
27 Balance of payments: current account

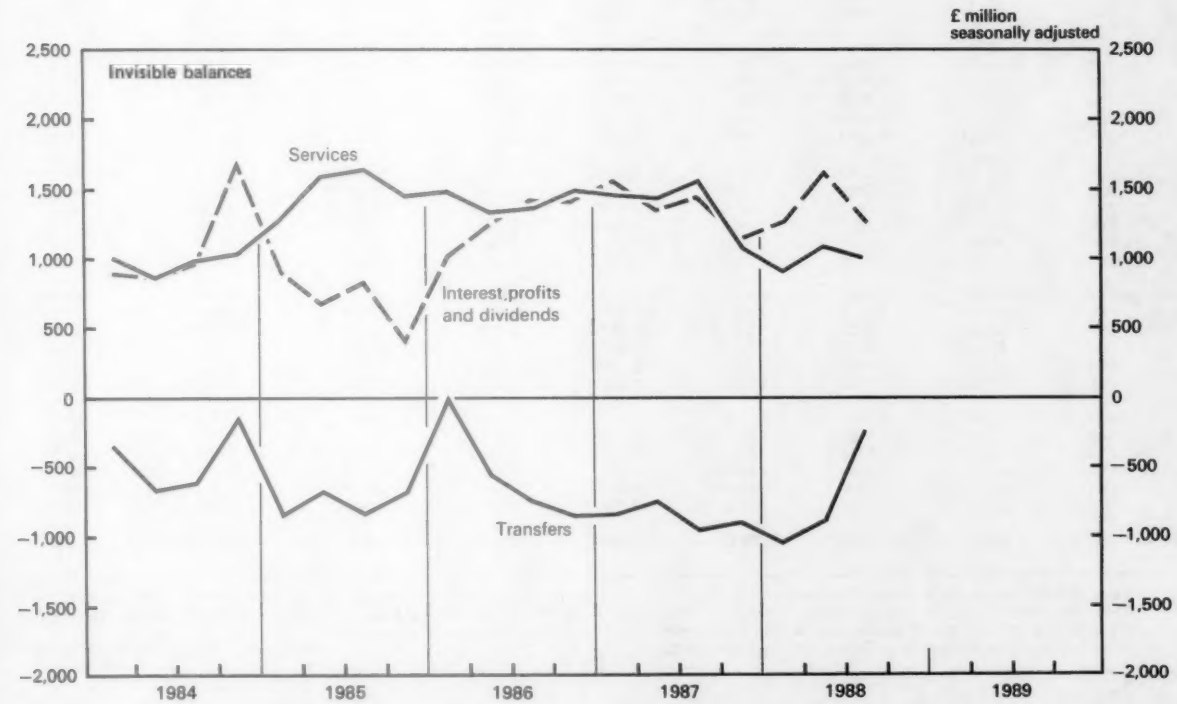
£ million

	Visible trade			Invisibles						
						Balances				
	Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Services	IPD	Transfers	Total[1]	Current balance
	CGKG	CGHK	AIMA	CGKR	CGHT	AIMC	AIMD	AIME	AIMB	AIMF
1978	34 981	36 574	-1 593	24 895	22 338	3 542	806	-1 791	2 557	964
1979	40 470	43 868	-3 398	33 339	30 437	3 907	1 205	-2 210	2 902	-496
1980	47 147	45 794	1 353	41 362	39 593	3 949	-196	-1 984	1 769	3 122
1981	50 668	47 318	3 350	57 347	53 761	3 923	1 210	-1 547	3 586	6 936
1982	55 330	53 112	2 218	65 483	63 016	2 762	1 446	-1 741	2 467	4 685
1983	60 698	61 773	-1 075	65 997	61 090	3 721	2 847	-1 661	4 907	3 832
1984	70 263	74 843	-4 580	77 765	71 163	3 941	4 433	-1 772	6 602	2 022
1985	77 988	80 334	-2 346	80 662	74 979	5 962	2 800	-3 079	5 683	3 337
1986	72 678	81 394	-8 716	77 262	68 721	5 631	5 084	-2 174	8 541	-175
1987	79 422	89 584	-10 162	79 905	72 430	5 522	5 463	-3 510	7 475	-2 687
1988	80 902	101 239	-20 336	..	..	..	..	..	6 065	-14 271
1984 Q1	16 697	18 815	-118	17 714	16 157	1 017	896	-356	1 557	1 439
Q2	16 838	18 142	-1 304	18 097	17 024	877	872	-676	1 073	-231
Q3	17 611	19 224	-1 613	19 949	18 605	998	965	-619	1 344	-269
Q4	19 117	20 662	-1 545	22 005	19 377	1 049	1 700	-121	2 628	1 083
1985 Q1	20 089	21 483	-1 394	21 616	20 272	1 288	918	-862	1 344	-50
Q2	20 187	20 336	-149	20 516	18 922	1 590	678	-674	1 594	1 445
Q3	18 651	19 241	-590	19 616	18 009	1 639	814	-846	1 607	1 017
Q4	19 061	19 274	-213	18 914	17 776	1 445	390	-697	1 138	925
1986 Q1	18 200	19 603	-1 403	19 184	16 681	1 483	1 015	5	2 503	1 100
Q2	17 810	19 477	-1 667	18 826	16 837	1 309	1 239	-559	1 989	322
Q3	17 506	20 502	-2 996	19 368	17 354	1 350	1 419	-755	2 014	-982
Q4	19 162	21 812	-2 650	19 884	17 849	1 489	1 411	-865	2 035	-615
1987 Q1	19 529	20 821	-1 292	19 816	17 652	1 452	1 561	-849	2 164	872
Q2	19 357	21 747	-2 390	20 078	18 076	1 421	1 353	-772	2 002	-388
Q3	20 234	23 436	-3 202	20 377	18 380	1 564	1 412	-979	1 997	-1 205
Q4	20 302	23 580	-3 278	19 634	18 322	1 085	1 137	-910	1 312	-1 966
1988 Q1	18 969	22 843	-3 874	20 277	19 238	887	1 217	-1 065	1 039	-2 835
Q2	20 186	24 615	-4 428	21 123	19 356	1 075	1 605	-913	1 767	-2 661
Q3	20 981	26 764	-5 783	22 163	20 104	998	1 267	-206	2 059	-3 724
Q4	20 766	27 017	-6 251	..	..	..	..	..	1 200	-5 051
1986 Dec	6 397	7 221	-823						678	-145
1987 Jan	6 244	6 867	-624						721	97
Feb	6 827	7 091	-264						722	458
Mar	6 459	6 863	-403						721	318
Apr	6 589	7 076	-487						667	180
May	6 356	7 441	-1 085						668	-417
Jun	6 412	7 230	-818						667	-151
Jul	6 686	7 708	-1 022						666	-356
Aug	6 586	8 042	-1 456						665	-791
Sep	6 962	7 685	-723						666	-57
Oct	6 802	7 756	-954						437	-517
Nov	6 881	7 969	-1 088						438	-650
Dec	6 617	7 856	-1 239						437	-802
1988 Jan	6 387	7 754	-1 366						346	-1 020
Feb	6 155	7 664	-1 510						347	-1 163
Mar	6 427	7 425	-998						346	-652
Apr	6 840	8 051	-1 211						589	-622
May	6 527	8 205	-1 678						589	-1 089
Jun	6 820	8 358	-1 539						589	-950
Jul	6 743	9 424	-2 681						686	-1 995
Aug	6 715	8 567	-1 852						687	-1 165
Sep	7 524	8 773	-1 249						686	-563
Oct	6 745	9 473	-2 728						400	-2 328
Nov	6 907	8 773	-1 866						400	-1 466
Dec	7 115	8 772	-1 657						400	-1 257

1 Monthly data is one third of the appropriate calendar quarter's estimate or projection.

Source: Central Statistical Office


Balance of payments:
£ million
seasonally adjusted
Current account
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
−5,000
−6,000
−7,000
−8,000
Current balance
Invisible balance
Visible trade
1984
1985
1986
1987
1988
1989


£ million
seasonally adjusted
Invisible balances
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
Services
Interest, profits
and dividends
Transfers
1984
1985
1986
1987
1988
1989

28 Sterling exchange rates and UK official reserves

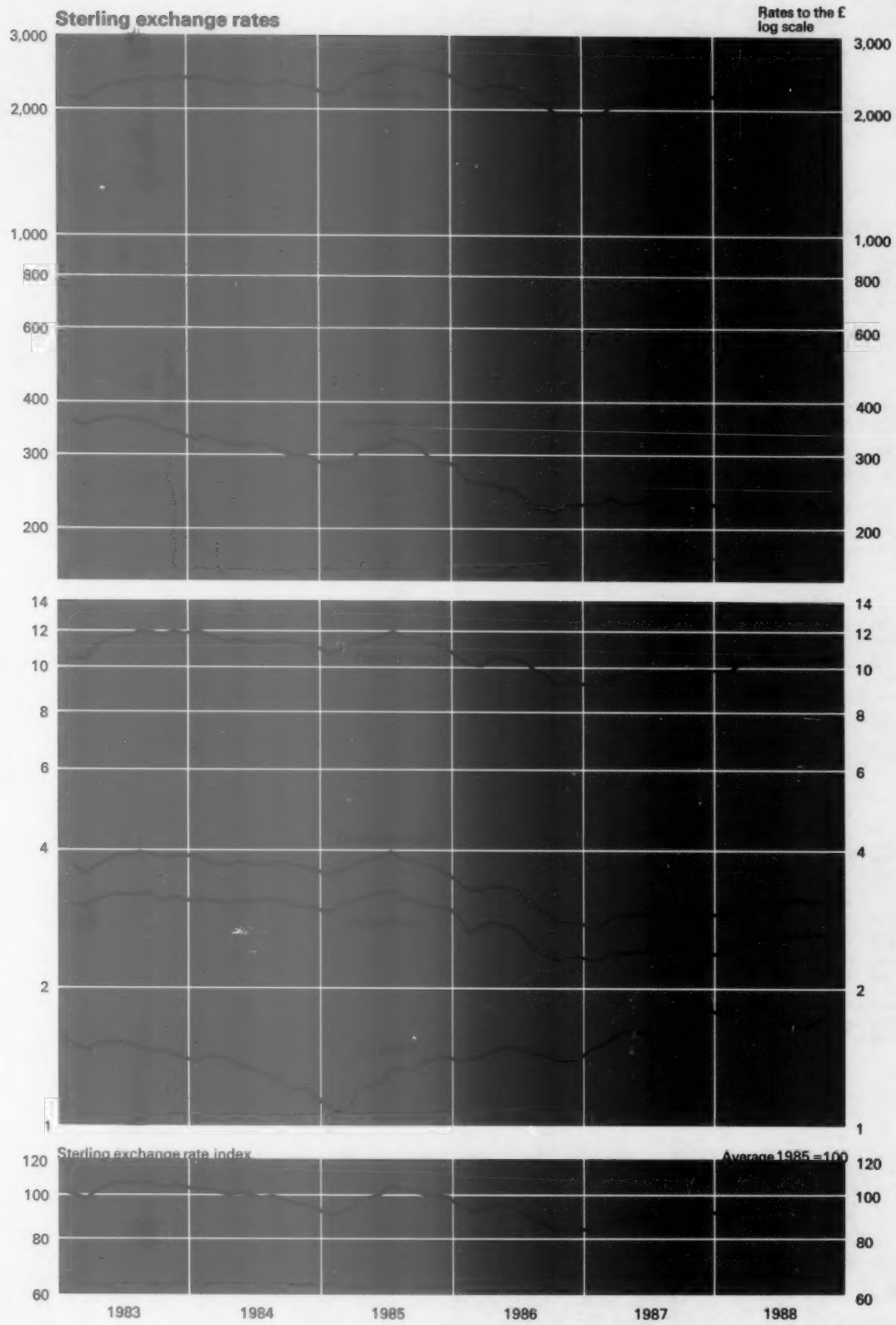
Not seasonally adjusted

	Sterling exchange rate against major currencies[1]						UK official reserves[2] at end of period ($ million)	Sterling exchange rate index (average 1985=100)
	Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark		
	AJFO	AJFA	AJFD	AJFE	AJFF	AJFH	AIPI	AJHV
1980	525.59	2.3281	3.8938	9.8250	1 992	4.227	27 476	117.7
1981	444.63	2.0254	3.9690	10.9356	2 287	4.556	23 347	119.0
1982	435.20	1.7489	3.5467	11.4846	2 364	4.243	16 997	113.7
1983	359.93	1.5158	3.1822	11.5471	2 302	3.870	17 817	105.3
1984	316.80	1.3364	3.1301	11.6349	2 339	3.791	15 694	100.6
1985	307.08	1.2976	3.1550	11.5494	2 463	3.784	15 543	100.0
1986	246.80	1.4672	2.6350	10.1569	2 186	3.183	21 923	91.5
1987	236.50	1.6392	2.4394	9.8369	2 123	2.941	44 326	90.1
1988	227.98	1.7796	2.6030	10.5969	2 315	3.124	51 685	95.5
1984 Q2	320.69	1.3030	3.1359	11.6221	2 339	3.784	15 505	101.7
Q3	316.17	1.2993	3.1672	11.6211	2 333	3.786	15 260	99.9
Q4	299.45	1.2178	3.0610	11.3935	2 300	3.717	15 694	96.6
1985 Q1	287.13	1.1155	3.0685	11.0917	2 254	3.628	13 526	92.9
Q2	315.17	1.2577	3.2554	11.8273	2 475	3.878	14 318	101.0
Q3	328.10	1.3758	3.2339	11.9533	2 603	3.920	14 176	104.6
Q4	297.64	1.4356	3.0644	11.3248	2 514	3.711	15 543	101.4
1986 Q1	270.79	1.4391	2.8488	10.3829	2 303	3.362	18 750	95.0
Q2	256.40	1.5090	2.8132	10.7712	2 322	3.386	19 188	96.1
Q3	232.28	1.4891	2.5146	10.1009	2 140	3.109	22 426	90.2
Q4	229.22	1.4304	2.3783	9.3934	1 986	2.868	21 923	85.1
1987 Q1	236.20	1.5431	2.3848	9.4501	2 015	2.837	27 039	86.7
Q2	234.14	1.6410	2.4484	9.8908	2 134	2.964	34 364	90.4
Q3	237.82	1.6184	2.4670	9.9197	2 152	2.974	34 808	90.5
Q4	237.69	1.7535	2.4565	10.0821	2 168	2.989	44 326	92.7
1988 Q1	230.03	1.7972	2.4733	10.1923	2 221	3.013	47 519	93.5
Q2	231.18	1.8390	2.6114	10.6374	2 334	3.142	48 519	96.6
Q3	226.75	1.6951	2.6525	10.7159	2 349	3.165	50 482	95.2
Q4	224.05	1.7915	2.6755	10.8460	2 356	3.175	51 685	96.7
1986 May	253.84	1.5206	2.8168	10.7882	2 322	3.387	19 166	96.2
Jun	252.78	1.5089	2.7751	10.7400	2 312	3.369	19 188	95.8
Jul	239.39	1.5060	2.6326	10.4549	2 229	3.248	19 083	93.1
Aug	229.18	1.4867	2.4701	9.9893	2 111	3.066	18 924	89.3
Sep	227.65	1.4716	2.4316	9.8324	2 073	3.003	22 426	88.0
Oct	223.15	1.4276	2.3437	9.3628	1 980	2.861	21 992	84.6
Nov	232.00	1.4253	2.4004	9.4327	1 996	2.884	22 006	85.5
Dec	233.22	1.4383	2.3950	9.3896	1 984	2.860	21 923	85.3
1987 Jan	232.94	1.5071	2.3482	9.3283	1 982	2.797	21 952	85.4
Feb	234.25	1.5271	2.3513	9.2774	1 981	2.785	22 257	85.4
Mar	241.07	1.5919	2.4502	9.7233	2 078	2.921	27 039	89.2
Apr	232.87	1.6299	2.4375	9.8295	2 106	2.952	29 807	89.9
May	234.13	1.6661	2.4507	9.9559	2 152	2.980	34 679	91.1
Jun	235.31	1.6293	2.4563	9.8904	2 143	2.962	34 364	90.3
Jul	241.83	1.6099	2.4719	9.9002	2 153	2.974	34 915	90.5
Aug	235.70	1.5975	2.4575	9.9034	2 149	2.967	34 365	90.0
Sep	235.56	1.6462	2.4703	9.9548	2 155	2.981	34 808	90.9
Oct	238.05	1.6621	2.4825	9.9964	2 164	2.992	41 399	91.4
Nov	240.34	1.7754	2.4531	10.1314	2 200	2.986	41 281	93.2
Dec	234.67	1.8273	2.4325	10.1228	2 201	2.987	44 326	93.6
1988 Jan	229.90	1.7981	2.4241	10.0461	2 189	2.977	43 093	92.8
Feb	226.97	1.7578	2.4462	10.0760	2 196	2.982	42 927	92.2
Mar	232.94	1.8324	2.5407	10.4256	2 272	3.072	47 519	95.3
Apr	234.43	1.8765	2.5967	10.6503	2 329	3.137	47 857	97.2
May	233.21	1.8694	2.6378	10.7196	2 353	3.166	48 533	97.6
Jun	226.52	1.7790	2.6001	10.5517	2 320	3.123	48 519	95.3
Jul	226.87	1.7042	2.6126	10.5953	2 328	3.144	49 826	94.7
Aug	227.09	1.6983	2.6895	10.8558	2 373	3.207	50 639	96.1
Sep	226.31	1.6833	2.6536	10.6910	2 344	3.143	50 482	94.8
Oct	223.87	1.7382	2.6744	10.7879	2 354	3.160	50 048	95.7
Nov	222.71	1.8090	2.6532	10.8030	2 350	3.162	51 040	96.6
Dec	225.71	1.8282	2.7013	10.9541	2 365	3.207	51 685	97.7
1989 Jan	225.78†	1.7748†	2.7695†	11.0940†	2 386†	3.256†	51 705†	97.9†

1 Average of daily Telegraphic Transfer rates in London.

2 Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. Since end-March 1979 these rates have been revised annually. These valuation changes are described in detail in the description of Table 10.3 in the *Financial Statistics Explanatory Handbook*, where the values of the annual changes are also shown.

Sources: Bank of England; HM Treasury


Sterling exchange rates
Rates to the £
log scale
3,000
2,000
1,000
800
600
400
300
200
14
12
10
8
6
4
2
1
Sterling exchange rate index
Average 1985 =100
120
100
80
60
1983
1984
1985
1986
1987
1988

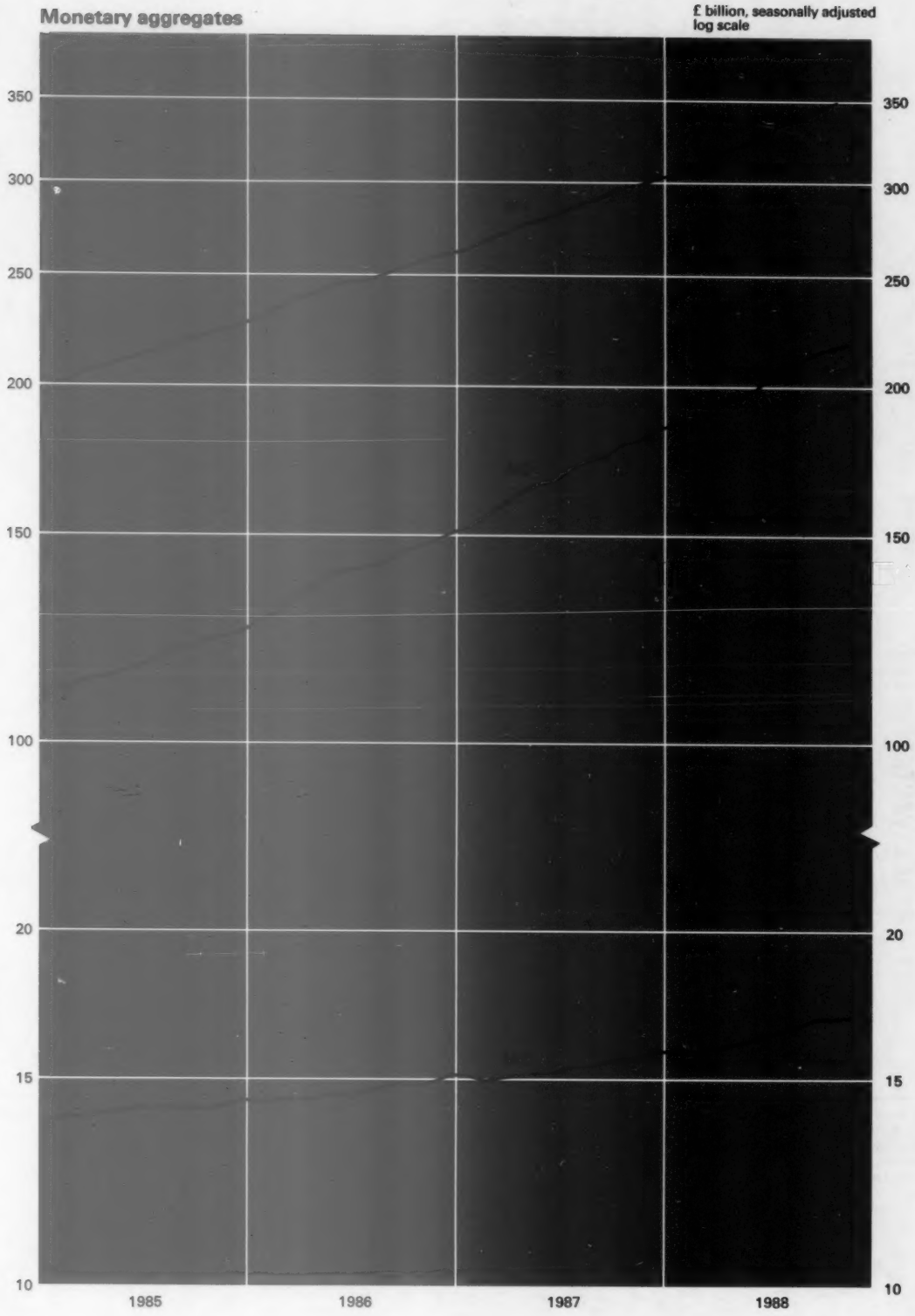
29 Monetary aggregates[1]

	M0				M3				M4			
	Amount outstanding[2] (NSA)				Amount outstanding (NSA)				Amount outstanding (NSA)			
	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio
	AVAD	AVAK	AVAE	AVAM	AGAJ	AUZO	AGBC	AGBY	AUYM	AUZP	AUYN	AUYU
1985	14 095	*4.6*	14 095	25.18	126 974	*13.4*	124 918†	3.03	225 291	*13.0*	225 205	1.67
1986	14 665	*4.0*	14 663	25.92	151 169	*18.2*	150 626	2.74	261 212	*15.4*	261 399	1.55
1987	15 338	*4.6*	15 354	27.11	185 688	*22.9*	184 762	2.49	303 898†	*16.3*	304 278†	1.48
1988	16 402†	*6.9*†	16 399†	..	223 449†	*20.2*†	222 716	..	356 927	*17.4*†	357 440	..
1984 Q4	13 962	*5.6*	13 789	24.26	111 956	*9.7*	110 130†	3.08	199 398	*13.3*	198 902	1.70
1985 Q1	13 704	*5.4*	13 886	24.76	114 078	*11.5*	113 778	3.08	205 672	*13.8*	205 844	1.70
Q2	14 040	*5.4*	14 070	25.00	118 017	*11.4*	116 506	3.06	212 214	*12.8*	211 302	1.69
Q3	14 212	*4.4*	14 162	25.33	122 955	*13.7*	120 971	3.02	218 442	*13.4*	218 246	1.67
Q4	14 425	*3.3*	14 260	25.61	126 974	*13.4*	124 918	2.96	225 291	*13.0*	225 205	1.64
1986 Q1	14 255	*4.0*	14 404	25.77	133 378	*16.7*	132 797	2.89	235 823	*14.5*	235 997	1.61
Q2	14 464	*3.0*	14 521	25.88	140 325	*18.7*	139 461	2.75	245 851	*15.7*	245 363	1.56
Q3	14 782	*4.0*	14 729	25.88	146 485	*19.1*	145 187	2.69	252 987	*15.8*	252 594	1.53
Q4	15 159	*5.1*	14 999	26.17	151 169	*18.2*	150 626	2.85	261 212	*15.4*	261 399	1.52
1987 Q1	14 808	*3.9*	15 044	26.51	159 629	*19.2*	159 365	2.59	270 285†	*14.1*	271 045†	1.50†
Q2	15 131	*4.6*	15 169	26.95	168 074	*19.3*	167 003	2.49	281 134	*13.9*	280 512	1.48
Q3	15 519	*5.0*	15 469	27.53	176 086	*19.7*	174 598	2.47	291 999	*15.0*	291 682	1.48
Q4	15 894	*4.9*	15 736	27.44	185 688	*22.9*	184 762	2.39	303 898	*16.3*	304 278	1.44
1988 Q1	15 622	*5.5*	15 833	27.79	193 084	*20.9*	192 420	2.34	315 479	*16.8*	315 597	1.43
Q2	16 107	*6.4*	16 164	28.04	202 189†	*20.2*	201 182	2.30	328 525	*16.8*	327 425	1.41
Q3	16 708	*7.6*	16 652	28.14†	215 790	*22.6*	214 367	2.24†	346 332	*18.6*	345 927	1.38
Q4	17 169†	*8.0*†	16 946†	..	223 449	*20.2*†	222 716	..	356 927	*17.4*†	357 440	..
Calendar month												
1986 Dec	15 956	*5.2*	15 187		151 169	*18.2*	150 626		261 212	*15.4*	261 399	
1987 Jan	14 922	*4.1*	15 097		150 093	*17.7*	152 234		261 370	*13.9*	262 495†	
Feb	14 694	*4.1*	14 984		153 011	*19.0*	156 052		263 811†	*13.9*	267 425	
Mar	14 809	*3.5*	15 050		159 629	*19.2*	159 365		270 285	*14.1*	271 045	
Apr	15 134	*5.3*	15 115		162 847	*20.5*	163 129		273 855	*14.7*	275 450	
May	15 176	*4.4*	15 182		166 131	*19.0*	165 058		277 330	*13.8*	277 239	
Jun	15 083	*4.2*	15 210		168 074	*19.3*	167 003		281 134	*13.9*	280 512	
Jul	15 506	*5.3*	15 403		172 351	*21.0*	170 865		286 486	*15.0*	285 082	
Aug	15 519	*4.5*	15 445		174 497	*22.2*	173 108		289 088	*15.6*	288 753	
Sep	15 533	*5.2*	15 559		176 086	*19.7*	174 598		291 999	*15.0*	291 682	
Oct	15 501	*5.5*	15 665		181 869	*22.5*	180 001		297 452	*15.8*	297 380	
Nov	15 548	*4.9*	15 704		183 040	*21.5*	180 517		298 941	*15.2*	298 482	
Dec	16 633	*4.2*	15 839		185 688	*22.9*	184 762		303 898	*16.3*	304 278	
1988 Jan	15 639	*4.8*	15 797		183 776†	*22.4*	185 999†		304 449	*16.6*	305 124	
Feb	15 477	*5.3*	15 784		184 460	*20.6*	187 842		305 820	*16.0*	309 819	
Mar	15 751	*6.4*	15 919		193 084	*20.9*	192 420		315 479	*16.8*	315 597	
Apr	16 025	*5.9*	16 031		194 570	*19.4*	195 357		317 517	*16.0*	319 201	
May	16 048	*5.7*	16 147		197 147	*18.6*	196 259		321 770	*16.1*	321 241	
Jun	16 247	*7.7*	16 315		202 189	*20.2*	201 182		328 525	*16.8*	327 425	
Jul	16 599	*7.0*	16 462		207 975	*20.6*	206 969		336 598	*17.5*	334 757	
Aug	16 733	*7.8*	16 619		209 510	*20.0*	208 862		339 002	*17.2*	338 574	
Sep	16 793	*8.1*	16 875		215 790	*22.6*	214 367		346 332	*18.6*	345 927	
Oct	16 692	*7.7*	16 864		217 732	*19.7*	215 883		349 032	*17.3*†	349 009	
Nov	16 774†	*7.9*	16 907†		219 930	*20.2*	217 380		351 489	*17.6*	350 343	
Dec	18 040	*8.5*†	17 066		223 449	*20.2*†	222 716		356 927	*17.4*	357 440	

1 A fuller range of monetary aggregates is published monthly in *Financial Statistics*.

2 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.

Source: Bank of England


Monetary aggregates
£ billion, seasonally adjusted
log scale
350
300
250
200
150
100
20
15
10
1985
1986
1987
1988

30 Counterparts to changes in money stock M3[1]

£ million, not seasonally adjusted

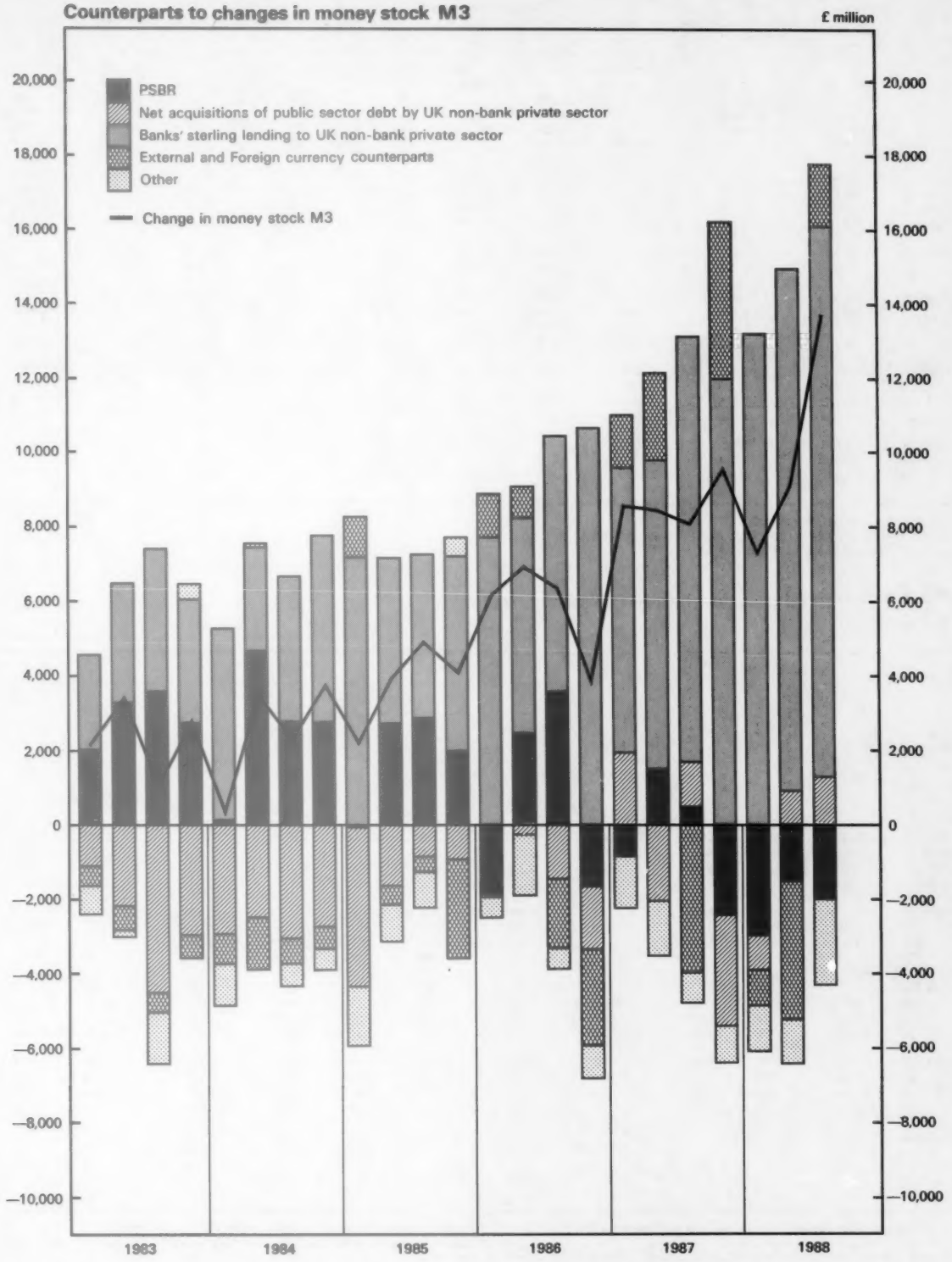
	Public Sector Borrowing Requirement	Purchases by UK non-bank private sector of: Central government debt: British government stocks	Central government debt: Other	Other public sector debt	External and foreign currency financing of public sector: Purchase of British government stocks by overseas sector	External and foreign currency financing of public sector: Other	Banks' sterling lending to UK non-bank private sector	External and foreign currency transactions of UK banks	Net non-deposit sterling liabilities	Domestic counterparts	External and foreign currency counterparts	M3
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*	*12*
	ABEN	-ABGN	ABHJ	AGFA	-AARC	AQGA	AGFD	AGFJ	AGGG	AGFE	AGFF	AGCJ
1985	7 473	-6 363	-2 893	1 468	-2 920	-222	20 968†	491†	-3 013	20 653†	-2 651†	14 997
1986	2 418†	-3 329	-2 456	2 228	-2 115	154	30 446	-516	-3 700	29 297	-2 477	23 146
1987	-1 455	-1 673	-2 190	1 930	-3 862	11 507	38 672	-3 641	-4 684	35 227	4 004	34 606
1988	-11 544	..	..	..	..	..	56 454	-9 981	..	..	..	37 562†
1984 Q4	2 750	-2 224	-1 379	862	-356	330	4 943†	-580	-565	4 952†	-606	3 782
1985 Q1	-67	-3 655	-694	-21	-716	-275	7 099	2 024†	-1 593	2 662	1 033†	2 111
Q2	2 716	-960	-844	174	-1 277	471	4 406	246	-993	5 492	-560	3 939
Q3	2 837	-730	-618	495	-377	-44	4 309	-32	-916	6 293	-453	4 924
Q4	1 987	-1 018	-737	820	-550	-374	5 154	-1 747	489	6 206	-2 671	4 023
1986 Q1	-1 883†	-92	-68	101	-72	385	7 520	812	-571	5 579	1 125	6 135
Q2	2 472	-819	-1 158	1 683	-766	373	5 650	1 221	-1 661	7 786	826	6 950
Q3	3 532	-770	-810	107	-552	-455	6 734	-874	-574	8 804	-1 881	6 349
Q4	-1 703	-1 648	-420	337	-723	-149	10 542	-1 675	-894	7 128	-2 547	3 712
1987 Q1	-906	1 445	-141	592	-533	1 329	7 505	665	-1 411	8 533	1 461	8 571
Q2	1 433	-1 784	-1 117	826	-1 003	4 023	8 173	-664	-1 473	7 533	2 356	8 444
Q3	393	1 096	-438	540	-2 243	261	11 252	-2 037	-791	12 839	-4 019	8 070
Q4	-2 375	-2 430	-494	-28	-83	5 894	11 742	-1 605	-1 009	6 322	4 206	9 521
1988 Q1	-2 950	-779	-105	-39	-158	1 642	13 426	-2 439	-1 228	9 475	-955	7 285
Q2	-1 527	358†	-146†	696	-436	663	14 820	-3 954	-1 173	14 140	-3 729	9 153†
Q3	-2 062	779	-201	656†	244	1 099	14 861	423	-2 289	13 923	1 766	13 759
Q4	-4 985	..	..	..	..	..	13 347	-3 991	..	..	..	7 365
1987 Feb	-375†	331	-209	176	-108	150	2 577	193	125	2 522	235	2 882
Mar	3 164	673	-283	359	-646	945	3 438	988	-1 861	7 339	1 287	6 765
Apr	2 007	-533	-64	262	-255	1 751	1 115	-1 128	58	2 791	368	3 217
May	-157	-832	-456	477	9	2 861	2 346	-373	-589	1 377	2 497	3 285
Jun	-417	-271	-598	86	-904	-590	4 712	837	-927	3 526	-657	1 942
Jul	-455	667	-122	280	-1 234	399	4 599	-1 541	1 653	4 991	-2 376	4 268
Aug	619	243	-233	443	-495	-321	1 134	793	-29	2 198	-23	2 146
Sep	229	154	-82	-182	-482	183	5 519	-1 289	-2 408	5 652	-1 588	1 656
Oct	-977	-16	-69	-12	-841	3 770	2 965	650	338	1 866	3 579	5 783
Nov	-1 579	-1 665	-246	326	743	-183	3 305	189	330	92	749	1 171
Dec	181	-721	-181	-336	-14	2 303	5 472	-2 444	-1 673	4 395	-155	2 567
1988 Jan	-6 271	-507	221	-82	-222	343	5 099	-1 631†	1 062	-1 580	-1 510†	-2 028†
Feb	-497	-762	-88	159	-262	-40†	2 460	-472	194	1 268†	-774	688
Mar	3 818	408	-238	-115	408	1 338	5 867	-342	-2 490†	9 711	1 404	8 625
Apr	-1 131	-800†	-97	438	-287	312	4 246†	-1 446	234	2 673	-1 421	1 486
May	-512	519	46	-59	-	258	3 181	-269	-557	3 143	-11	2 575
Jun	116	853	-95	323	-163	91	7 393	-2 335	-856	8 355	-2 407	5 092
Jul	-1 597	987	-285	183	-278	605	6 190	752	-760	5 467	1 079	5 786
Aug	-1 571	437	-48	431	-227	487	1 569	401	56	818	681	1 535
Sep	1 086	-544	134	-5	648	8	7 102	-422	-1 602	7 806	234	6 438
Oct	-2 143	2 172	-149†	305†	-384	455	4 210	-2 366	-162	4 399	-2 295	1 942
Nov	-362	672	-163	250	-90	434	2 624	-1 313	58	3 109	-969	2 198
Dec	-2 480	312	143	196	-117†	79	6 513	-312	-1 496	5 071	-350	3 225
1989 Jan	-6 905	..	..	..	..	..	..	..	..	..	..	..

For most periods the relationships between the columns are as follows: 10 = 1+2+3+4+7; 11 = 5+6+8; 12 = 9+10+11. Due to the inclusion of the latest PSBR information, the figures for more recent periods may not add exactly.

1 A wider range of figures is published monthly in *Financial Statistics*.

Source: Bank of England

Counterparts to changes in money stock M3



31 General government receipts and expenditure

£ million, not seasonally adjusted

	General government									
	Receipts[1]		Expenditure							
			Goods and services		Current and capital transfers					
	Taxes and social security contributions	Trading income, rent, royalties, interest, etc.	Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest	Net lending etc[2]	Total	Public expenditure planning total
	ABKA	ABKB	AAXI	ABKC	ABKD	AAYG	AAXL	ABAA	ABAB	ABAZ
1985	134 729	14 682	73 995	7 034	57 291	3 319	17 459	-1 734	157 364	133 610†
1986	143 871	12 990	79 689†	6 770	59 085†	3 119	17 129†	-3 999	161 793†	137 358
1987	155 231	13 311	85 779	6 359	61 704	3 104	17 757	-6 340	168 363	142 910
1985 Q3	34 507	3 586	18 077	1 736	14 217	818	4 668	-47	39 469	32 872
Q4	34 953	3 742	18 816	1 730	14 224	810	4 316	214	40 110	34 212†
1986 Q1	38 028	3 439	20 471	2 674	14 252	949	4 622†	-599	42 569†	36 184
Q2	32 971	3 198	19 330†	1 249	14 692†	659	3 727	-1 216	38 441	32 420
Q3	34 780	3 137	19 601	1 451	14 980	778	4 711	56	41 577	34 843
Q4	38 094	3 216	20 287	1 396	15 161	733	3 869	-2 240	39 206	33 911
1987 Q1	40 167	3 489	21 667	2 465	15 461	978	5 200	-518	45 253	38 098
Q2	34 809	3 180	20 707	988	15 485	619	3 590	-3 049	38 340	32 724
Q3	39 188	3 176	21 423	1 393	15 342	758	4 980	-1 574	42 322	35 430
Q4	41 067	3 466	21 982	1 513	15 416	749	3 987	-1 199	42 448	36 658
1988 Q1	45 648	3 599	23 023	2 561	16 315	956	5 121	651†	48 627	40 894
Q2	38 599	3 216	22 310	954	15 625	606	3 667	-2 774	40 388	34 444
Q3	41 840	3 351	22 409	1 387	15 046	1 219	5 070	-1 641	43 490	36 009

1 Excluding financial transactions.
2 Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc.(net).

Source: Central Statistical Office

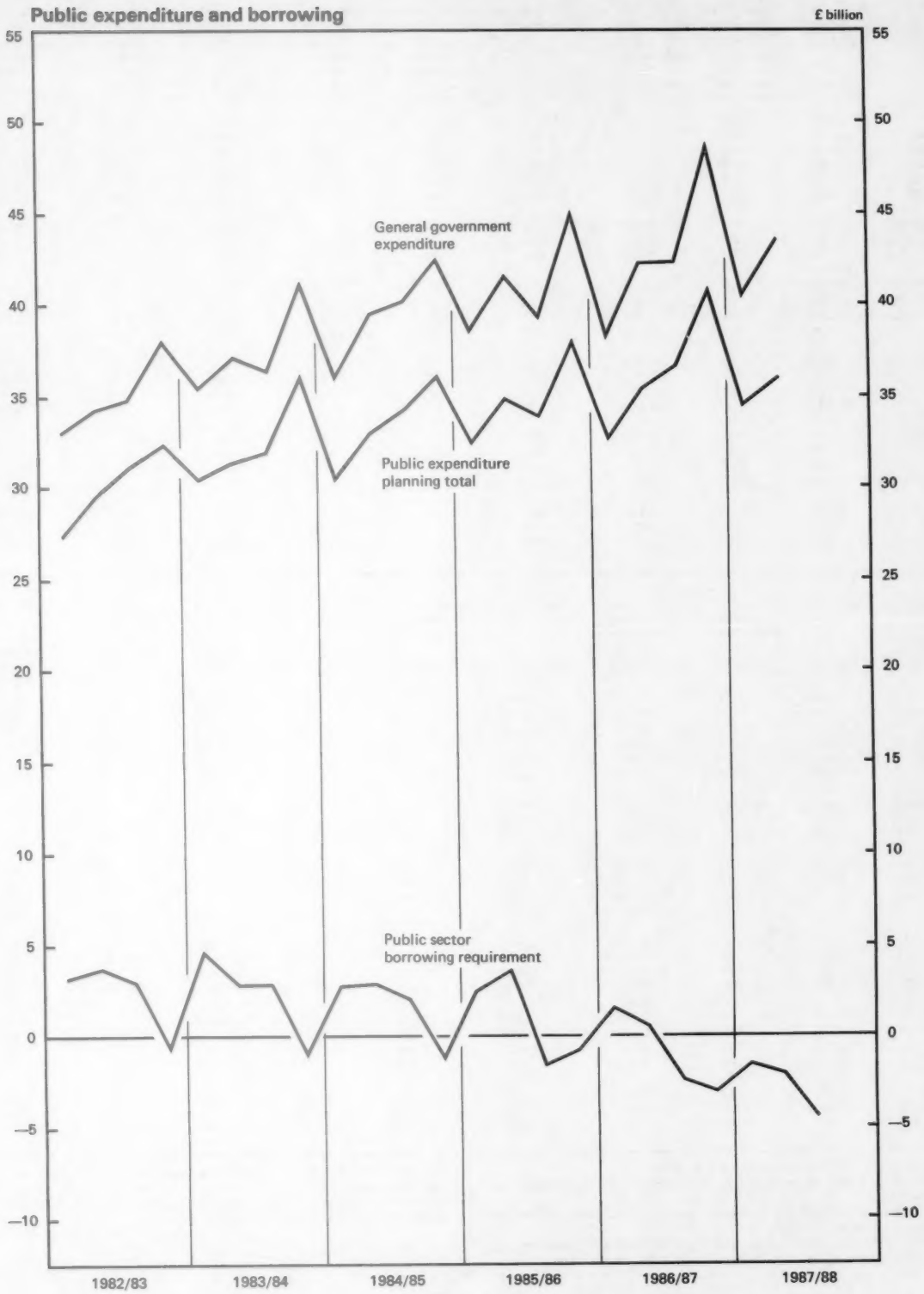
32 Financial transactions of the public sector[1]

£ million, not seasonally adjusted

	Financial deficit[2]				Receipts						
					Borrowing requirement[5]						
	General government[3]	Public corporations	Total	Net lending etc, to private sector and overseas[4]	Central government (own account[6])	Local authorities	Public corporations	Total	Seasonally adjusted total[7]	Other financial transactions (net receipts)	Total
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
	-AABC	-AABD	-AABE	ABKG	ABEB	ABEG	ABEM	ABEN	ABFB	ABKI	ABKH
1986	8 931†	-1 094	7 837†	-4 010	2 473†	655†	-710†	2 418†	2 418†	1 409†	3 827†
1987	6 161	-1 194	4 967	-5 962	-971	819	-1 303	-1 455	-1 455	460	-995
1988	..	..	..	..	-10 214	598	-1 928	-11 544	-11 544	..	..
1986 Q1	1 703†	-440	1 263†	-721	-3 160†	1 296	-19†	-1 883†	441†	2 425†	542†
Q2	3 488	-357	3 131	-1 006	3 063	-104	-487	2 472	911	-347	2 125
Q3	3 604	380	3 984	-41	3 621	132	-221	3 532	2 082	411	3 943
Q4	136	-677	-541	-2 242	-1 051	-669†	17	-1 703	-1 016	-1 080	-2 783
1987 Q1	2 115	20	2 135	-586	-1 132	791	-565	-906	353	2 455	1 549
Q2	3 400	-473	2 927	-2 372	1 761	139	-467	1 433	-394	-878	555
Q3	1 532	17	1 549	-1 680	358	255	-220	393	-101	-524	-131
Q4	-886	-758	-1 644	-1 324	-1 958	-366	-51	-2 375	-1 313	-593	-2 968
1988 Q1	-1 271	-195	-1 466	36†	-3 405	1 209	-754	-2 950	-1 602	1 520	-1 430
Q2	1 347	-365	982	-2 655	-1 492	256	-291	-1 527	-3 027	-146	-1 673
Q3	-60	-282	-342	-2 209	-1 686	-213	-183	-2 082	-2 932	-469	-2 551
Q4	..	..	..	..	-3 631	-654	-700	-4 985	-3 983	..	..
1988 Nov					291†	-286†	-367†	-362†			
Dec					-2 364	201	-317	-2 480			
1989 Jan					-7 022	-24	141	-6 905			

The relationships between the columns are as follows: 1 + 2 = 3; 3 + 4 = 11; 5 + 6 + 7 = 8; 8 + 10 = 11.
1 Due to the inclusion of the latest PSBR figures this table may not be internally consistent.
2 The excess of current and capital expenditure over receipts.
3 Table 31, columns 3 to 7 *less* columns 1 and 2.
4 Including cash expenditure on company securities (net). Lending is shown positively; repayment is shown negatively.
5 Redefined: see article in *Economic Trends*, No. 364, February 1984.
6 Excluding borrowing matched by on-lending to local authorities and public corporations.
7 Calendar year constrained.

Source: Central Statistical Office


Public expenditure and borrowing
£ billion
55
50
45
40
35
30
25
20
15
10
5
0
—5
—10
General government expenditure
Public expenditure planning total
Public sector borrowing requirement
1982/83
1983/84
1984/85
1985/86
1986/87
1987/88

33 Summary capital accounts and financial surplus or deficit

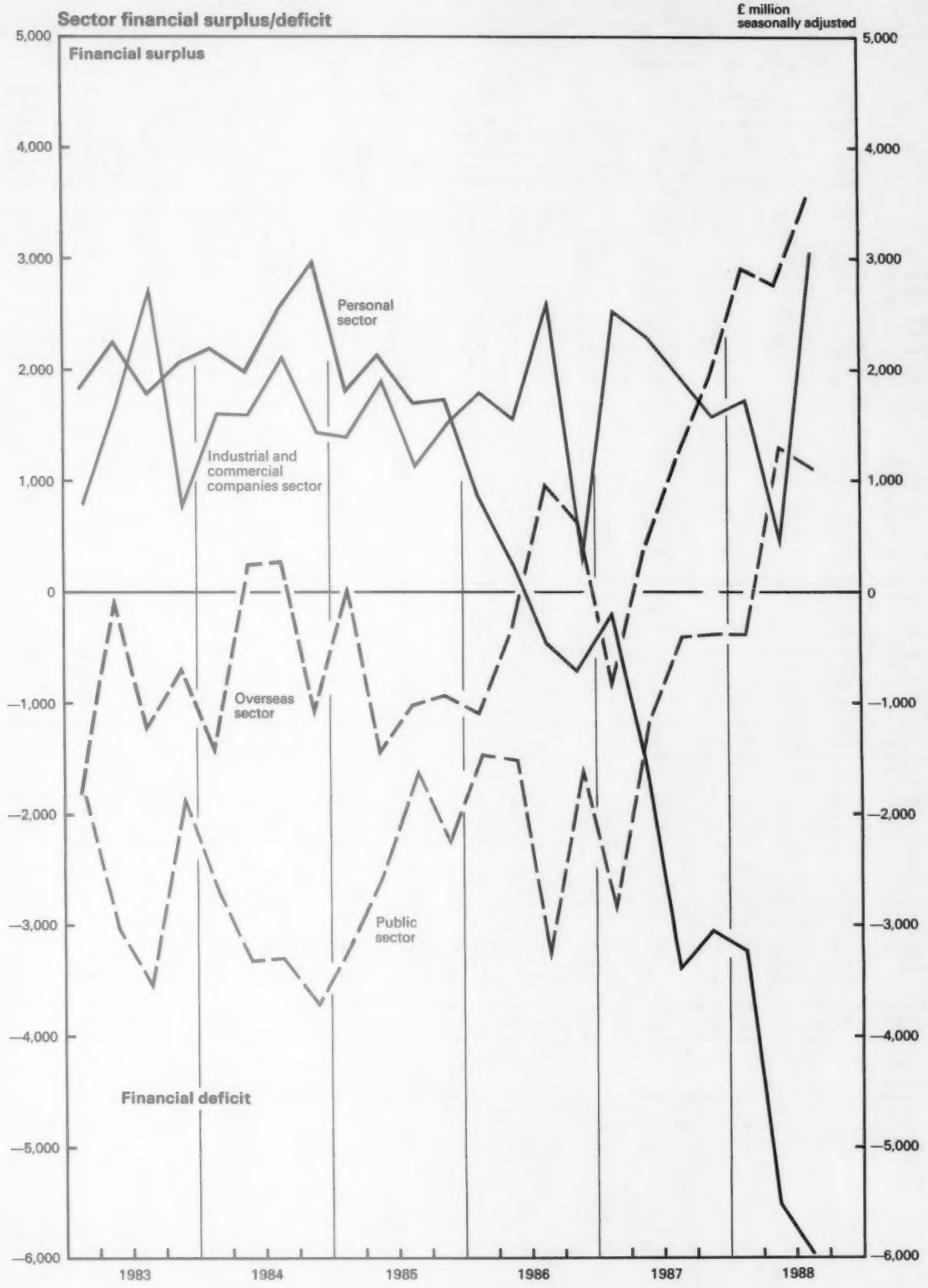
£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
	ABKJ	ABKK	ABKL	AAUM	AAUN	GGCX	AAUQ	AAUR	GGCW
1983	5 338	-1 366	14 208	6 295	-61	5 376	25 868	313	20 206
1984	2 235	-1 518	13 697	6 096	-65	7 048	31 491	194	24 917
1985	3 627	-400	12 776	8 500	-118	7 829	33 087	80	27 160
1986	4 008†	319	12 164	11 924	-219	7 293	33 839	-73	28 470
1987	4 868	973	10 808	13 091	-261	8 021	45 335	-384	36 504
1984 Q2	378	-393	3 291	1 583	-21	1 749	7 518	49	5 951
Q3	562	-304	3 554	1 165	-16	1 827	8 005	45	5 906
Q4	174	-324	3 579	1 993	-16	1 941	8 561	33	7 115
1985 Q1	113	-166	3 098	1 922	-21	2 469	8 664	12	7 271
Q2	868	-144	3 227	1 742	-32	1 511	8 573	9	6 662
Q3	1 755	-85	3 309	2 280	-32	1 987	7 766	30	6 656
Q4	891	-25	3 142	2 556	-33	1 862	8 084	29	6 571
1986 Q1	1 496†	26	2 984	2 680	-45	1 942	8 134	-37	6 275
Q2	1 723	46	3 252	2 902	-58	1 760	6 893	33	6 358
Q3	-355	73	3 037	2 964	-58	1 749	9 808	-16	7 176
Q4	1 144	174	2 891	3 378	-58	1 842	9 004	-53	8 661
1987 Q1	-251	106	2 753	3 384	-41	1 765	10 657	-14	8 071
Q2	1 296	156	2 657	3 005	-74	1 981	11 466	-72	9 077
Q3	2 096	253	2 782	3 483	-58	1 861	12 197	-126	10 112
Q4	1 727	458	2 616	3 219	-88	2 414	11 015	-172	9 244
1988 Q1	2 284	512	2 950	3 889	-85	2 354	11 172	-214	9 206
Q2	3 825	374	2 839	4 562	-86	2 726	11 389	-137	10 817
Q3	3 930	-127	2 665	5 058	-78	2 928	12 386	360	9 651

	Personal sector			Financial surplus/deficit[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Balancing item[6]
	AAUU	AAUV	GGCV	AAVE	AAVF	AAVG	AAVH	AAVI	AAVJ
1983	21 513	1 114	14 494	-10 236	858	5 975	8 133	-3 832	-898
1984	23 456	1 389	15 130	-12 980	-1 017	6 768	9 715	-2 022	-464
1985	22 845	438	15 903	-9 549	553	6 007	7 380	-3 337	-1 054
1986	18 428	-27	18 477	-7 837†	4 412	5 296	-76	175	-1 970†
1987	13 628	-328	21 478	-4 967	4 809	8 447	-8 178	2 687	-2 798
1984 Q2	5 291	365	3 672	-3 306	-187	1 616	1 984	231	-338
Q3	6 053	275	3 783	-3 296	-678	2 144	2 545	269	-984
Q4	6 348	307	3 665	-3 729	36	1 479	2 990	-1 083	307
1985 Q1	5 618	175	3 996	-3 151	-568	1 405	1 797	50	467
Q2	6 148	167	4 157	-2 503	199	1 920	2 158	-1 445	-329
Q3	5 419	67	3 783	-1 619	261	1 140	1 703	-1 017	-468
Q4	5 660	29	3 967	-2 276	661	1 542	1 722	-925	-724
1986 Q1	4 858	56	4 052	-1 462†	693	1 822	862	-1 100	-815†
Q2	4 762	-21	4 485	-1 483	1 064	568	256	-322	-103
Q3	4 377	1	4 854	-3 319	1 157	2 616	-476	982	-960
Q4	4 431	-63	5 086	-1 573	1 478	290	-718	615	-92
1987 Q1	4 732	-51	4 885	-2 898	1 578	2 572	-204	-872	-176
Q2	3 816	-10	5 322	-1 205	950	2 317	-1 516	388	-934
Q3	2 472	-69	5 806	-433	1 564	1 959	-3 403	1 205	-892
Q4	2 608	-198	5 485	-431	717	1 599	-3 055	1 966	-796
1988 Q1	2 981	-213	5 985	-154	1 450	1 752	-3 217	2 835†	-2 666
Q2	1 536	-151	6 899	1 360	1 748	435	-5 514	2 661	-690
Q3	941	-155	6 755	1 138	2 052	3 095	-5 969	3 724	-4 040

1 Excluding financial transactions in writing-off debt.
2 Before providing for depreciation, stock appreciation and addition to reserves.
3 Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
4 This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
5 Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
6 For periods when the sector current and capital accounts are fully articulated, it is equal to the residual error in the national accounts.

Source: Central Statistical Office


Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
Financial deficit
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
5,000
4,000
3,000
2,000
1,000
0
—1,000
—2,000
—3,000
—4,000
—5,000
—6,000
1983
1984
1985
1986
1987
1988

34 Appropriation account of industrial and commercial companies[1]

£ million

	Income								Allocation of income				Balance	
	Income arising in the United Kingdom								Dividends, interest and other transfer payments					
	Gross trading profits													
	Net of stock appreciation													
	N. Sea oil companies	Other companies	Total[2]	Stock appreciation	Before deducting stock appreciation	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Total income	Dividends on ordinary shares[3]	Other[3,4]	Profits due abroad (net of UK tax)	UK taxes on income: payments[5]	Undistributed income[6]	Undistributed income adjusted for unremitted profits[6,7]
	CIDT	CIDU	AIAO	AIAP	AIAQ	AIAR	AIAS	AIAN	AIAU	AIAV	AIAW	AIAY	AAUQ	AIAZ
1978	2 614	18 396	21 010	3 443	24 453	2 131	2 972	29 556	1 941	4 294	1 980	3 246	18 095	18 057
1979	5 255	18 562	23 817	7 408	31 225	2 923	5 651	39 799	3 471	6 346	3 711	4 245	22 026	22 975
1980	8 056	17 656	25 712	5 394	31 106	3 637	5 085	39 828	3 234	8 841	4 424	5 705	17 624	18 383
1981	10 864	17 146	28 010	5 064	33 074	4 316	5 723	43 113	3 303	9 485	4 182	7 676	18 467	18 187
1982	12 726	21 303	34 029	3 511	37 540	4 501	5 647	47 688	4 057	10 432	3 973	9 198	20 028	19 489
1983	15 683	24 696	40 379	3 619	43 998	4 905	6 811	55 714	4 840	9 452	4 631	10 923	25 868	24 921
1984	19 009	28 027	47 036	4 117	51 153	5 526	8 814	65 493	5 130	10 645	5 536	12 691	31 491	28 890
1985	18 365	37 974	56 339	2 209	58 548	7 101	8 724	74 373	7 027	12 627	6 352	15 280	33 087	32 080
1986	8 421	46 084	54 505	1 641	56 146	7 400	7 871	71 417	8 963	11 333	4 463	12 819	33 839	31 535
1987	9 524	55 231	64 755	4 316	69 071	7 957	11 455	88 483	12 375	11 793	5 467	13 513	45 335	41 595
1980 Q4	2 164	4 151	6 315	768	7 083	936	1 217	9 236	956	2 306	1 011	1 664	3 299	3 319
1981 Q1	2 395	3 731	6 126	1 073	7 199	939	1 359	9 497	812	2 189	903	1 732	3 861	3 442
Q2	2 731	3 787	6 518	1 450	7 968	961	1 240	10 169	820	2 216	760	1 645	4 728	4 275
Q3	2 862	4 550	7 412	1 343	8 755	1 178	1 410	11 343	813	2 381	1 069	1 890	5 190	5 003
Q4	2 876	5 078	7 954	1 198	9 152	1 238	1 714	12 104	858	2 699	1 450	2 409	4 688	5 467
1982 Q1	2 634	4 405	7 039	929	7 968	1 184	1 349	10 501	1 170	2 592	1 008	2 122	3 609	3 133
Q2	3 069	5 762	8 831	759	9 590	1 158	1 342	12 090	999	2 712	927	2 464	4 988	4 811
Q3	3 512	5 302	8 814	900	9 714	1 075	1 351	12 140	971	2 573	930	2 457	5 209	5 042
Q4	3 511	5 834	9 345	923	10 268	1 084	1 605	12 957	917	2 555	1 108	2 155	6 222	6 503
1983 Q1	3 628	5 313	8 941	1 115	10 056	1 209	1 575	12 840	981	2 464	926	2 882	5 587	5 296
Q2	3 725	6 125	9 850	857	10 707	1 190	1 532	13 429	1 241	2 348	1 292	2 342	6 206	6 191
Q3	4 193	6 423	10 616	1 123	11 739	1 250	1 982	14 971	1 291	2 340	1 067	2 089	8 184	7 943
Q4	4 137	6 835	10 972	524	11 496	1 256	1 722	14 474	1 327	2 300	1 346	3 610	5 891	5 491
1984 Q1	4 211	6 693	10 904	863	11 767	1 322	1 959	15 048	1 078	2 297	1 372	2 894	7 407	7 251
Q2	4 715	6 555	11 270	1 378	12 648	1 274	1 933	15 855	1 368	2 515	1 471	2 963	7 518	7 237
Q3	4 901	7 321	12 222	759	12 981	1 481	2 517	16 979	1 257	2 959	1 518	3 240	8 005	7 340
Q4	5 182	7 458	12 640	1 117	13 757	1 449	2 405	17 611	1 427	2 874	1 175	3 574	8 561	7 062
1985 Q1	5 139	8 887	14 026	1 131	15 157	1 787	2 362	19 306	1 460	3 394	1 746	4 042	8 664	8 662
Q2	4 997	9 251	14 248	395	14 643	1 799	2 410	18 852	1 714	3 235	1 699	3 631	8 573	8 149
Q3	4 094	9 661	13 755	245	14 000	1 749	2 240	17 989	2 011	2 993	1 409	3 810	7 766	7 420
Q4	4 135	10 175	14 310	438	14 748	1 766	1 712	18 226	1 842	3 005	1 498	3 797	8 084	7 849
1986 Q1	3 136	11 265	14 401	-510	13 891	1 866	1 575	17 332	1 933	2 921	988	3 356	8 134	7 922
Q2	1 704	11 497	13 201	64	13 265	1 780	1 924	16 969	2 270	2 663	1 115	4 028	6 893	6 601
Q3	1 633	11 467	13 100	852	13 952	1 791	2 172	17 915	2 168	2 735	1 074	2 130	9 808	9 395
Q4	1 948	11 855	13 803	1 235	15 038	1 963	2 200	19 201	2 592	3 014	1 288	3 305	9 004	7 617
1987 Q1	2 476	12 948	15 422	825	16 247	2 030	2 617	20 894	3 182	2 924	1 359	2 772	10 657	9 628
Q2	2 370	13 493	15 863	1 379	17 242	1 886	2 874	22 002	2 789	2 875	1 280	3 592	11 466	10 236
Q3	2 504	14 721	17 225	1 169	18 394	1 998	3 032	23 424	3 052	3 043	1 403	3 729	12 197	10 929
Q4	2 174	14 071	16 245	943	17 188	2 043	2 932	22 163	3 352	2 951	1 425	3 420	11 015	10 802
1988 Q1	1 987	15 955	17 942	696	18 638	1 990	2 610	23 238	3 867	3 224	1 257	3 718	11 172	10 104
Q2	1 837	15 482	17 319	1 545	18 864	2 000	2 967	23 831	3 758	3 132	1 393	4 159	11 389	10 569
Q3	1 770	17 202	18 972	1 424	20 396	2 432	3 076	25 904	4 329	3 967	1 660	3 562	12 386	11 666

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984, British Gas from 3 December 1986, British Airways from 6 February 1987, Royal Ordnance from 22 April 1987 and BAA from 16 July 1987.

2 Before providing for depreciation.

3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of those dividends is included in UK taxes on income. Excludes dividend and debenture interest paid by UK subsidiaries to their overseas parents.

4 Including royalties and licence fees on oil and gas production.

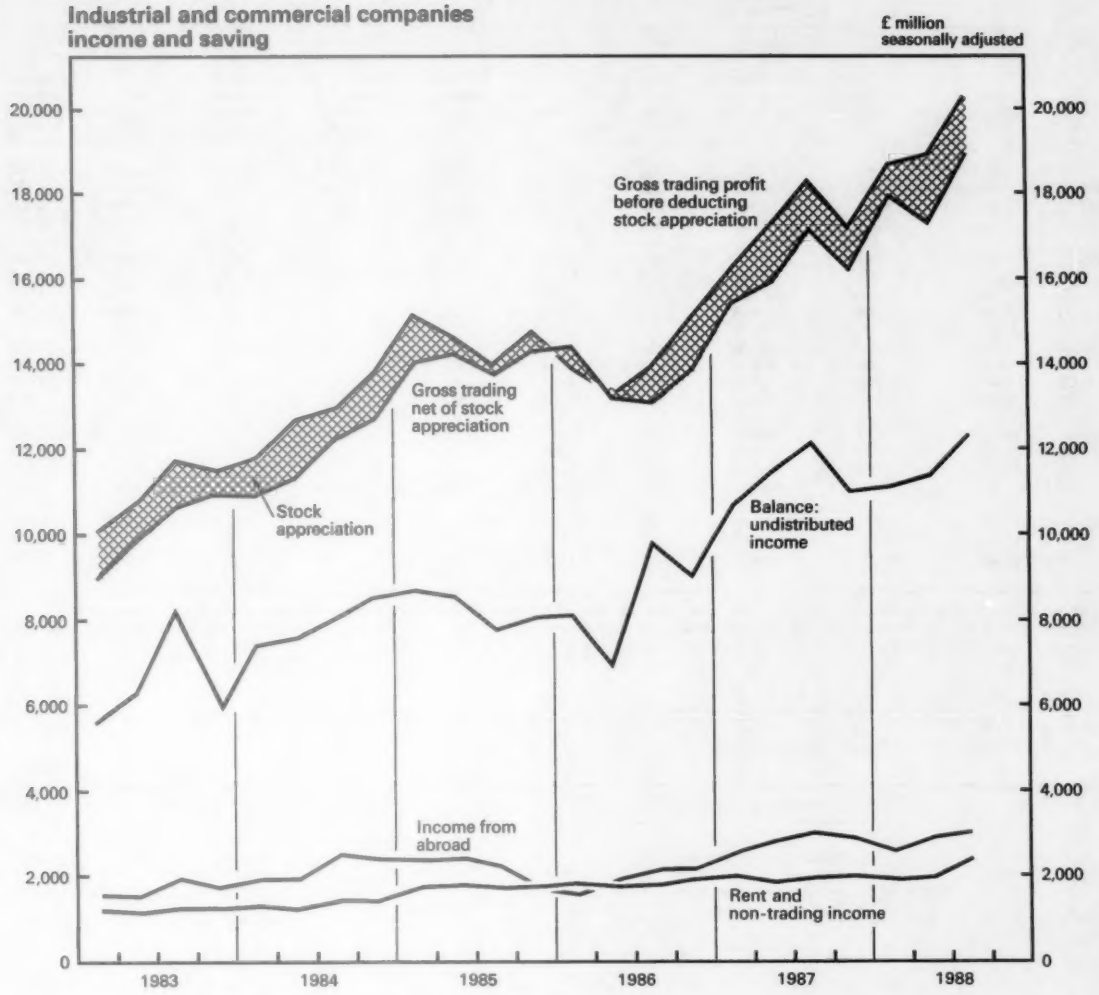
5 Mainly payments of corporation tax (including advance corporation tax) and petroleum revenue tax.

6 Before providing for depreciation, stock appreciation and additions to reserves.

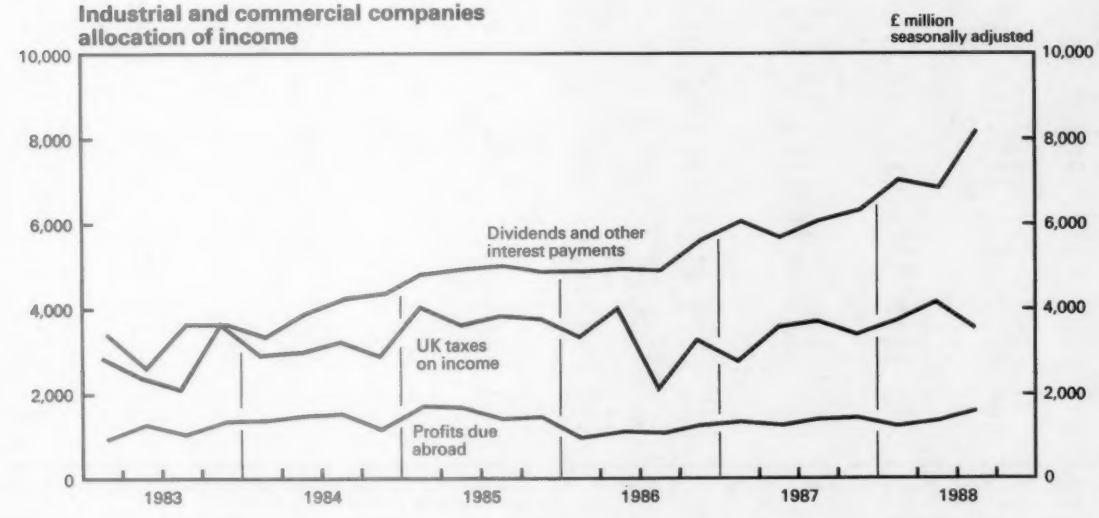
7 Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Source: Central Statistical Office

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



35 Capital account and financial surplus/deficit of industrial and commercial companies[1]

£ million

	Receipts					Expenditure				
	Undistributed income	Stock appreciation	Undistributed income less stock appreciation	Capital transfers	Total receipts[2]	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Total expenditure	Balance: financial surplus/deficit
	AAUQ	AIAP	FMBC	CIDZ	FMBA	AAUS	FMBG	FMBH	FMBF	AAVG
1985	33 087	2 209	30 878	559	31 437	24 762	189	479	25 430	6 007
1986	33 839	1 641	32 198	698	32 896	26 062	767	771	27 600	5 296
1987	45 335	4 316	41 019	512	41 531	30 776	1 412	896	33 084	8 447
1985 Q1	8 664	1 131	7 533	175	7 708	6 227	-87	163	6 303	1 405
Q2	8 573	395	8 178	93	8 271	6 007	260	84	6 351	1 920
Q3	7 766	245	7 521	141	7 662	6 257	154	111	6 522	1 140
Q4	8 084	438	7 646	150	7 796	6 271	-138	121	6 254	1 542
1986 Q1	8 134	-510	8 644	142	8 786	6 381	404	179	6 964	1 822
Q2	6 893	64	6 829	209	7 038	6 219	75	176	6 470	568
Q3	9 808	852	8 956	185	9 141	6 746	-422	201	6 525	2 616
Q4	9 004	1 235	7 769	162	7 931	6 716	710	215	7 641	290
1987 Q1	10 657	825	9 832	154	9 986	7 009	237	168	7 414	2 572
Q2	11 466	1 379	10 087	135	10 222	7 645	53	207	7 905	2 317
Q3	12 197	1 169	11 028	113	11 141	7 910	1 033	239	9 182	1 959
Q4	11 015	943	10 072	110	10 182	8 212	89	282	8 583	1 599
1988 Q1	11 172	696	10 476	108	10 584	8 289	221	322	8 832	1 752
Q2	11 389	1 545	9 844	117	9 961	8 656	616	254	9 526	435
Q3	12 386	1 424	10 962	657	11 619	8 314	-87	297	8 524	3 095

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984, British Gas from 3 December 1986, British Airways from 6 February 1987, Royal Ordnance from 22 April 1987 and BAA from 16 July 1987.

2 After deducting stock appreciation but before providing for depreciation.

Source: Central Statistical Office

36 Financial transactions including net borrowing requirement of industrial and commercial companies[1]

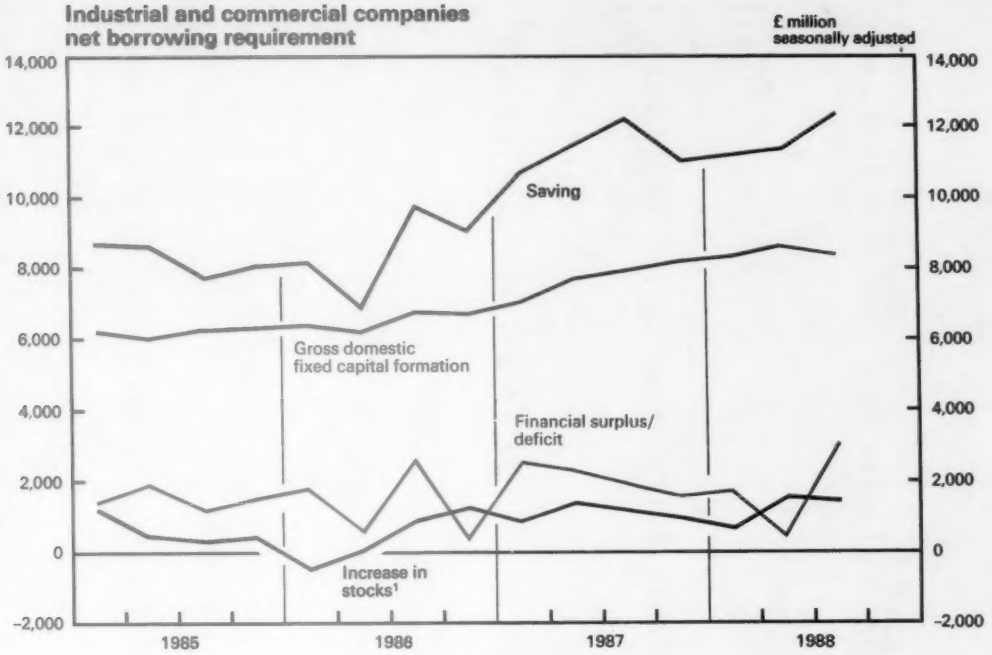
£ million

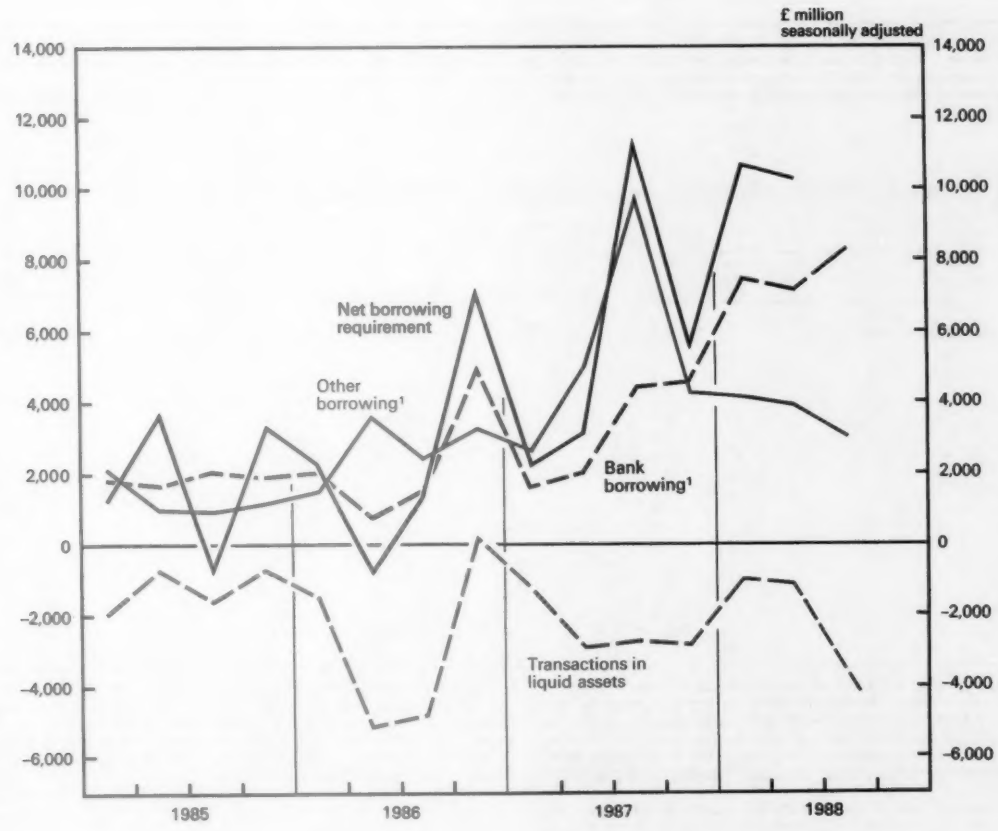
	Transactions leading to net borrowing requirement						Financing of net borrowing requirement[4]				
							Borrowing from		Financial assets		
	Financial surplus/deficit	Net unremitted profits[2]	Net identified trade and other credit[3,4]	Investment in UK company securities[5]	Investment abroad	Balancing item	Banks[6]	Other	Liquid	Other	Net borrowing requirement (NBR)
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
	AAVG	-AICX	-AIDL	-AICC	-AIDC	-AAOB	-AANA	-AICT	-AICU	-AICV	-AICW
1984	6 768	-2 601	-651†	-3 901	-1 236	-259†	7 300	-869	-2 199	-2 352	1 880
1985	6 007	-1 007	-810	-2 995	-3 882	-4 925	7 704†	5 516	-4 886	-722	7 612†
1986	5 296	-2 304	-886	-1 977	-5 771	-4 588	9 414	10 999	-11 176†	993	10 230
1987	8 447	-3 740	-427	-3 179	-10 197	-13 266	13 166	21 812	-9 793	-2 823	22 362
	AAVG	-AICX	-ABKP	-AICC	-AIDC	-AIDD	-AIDF	-AIDJ	-AIDG	-AICV	-AIDI
1984 Q4	1 479	-1 499	-626†	-1 217	-312	757†	3 666†	681†	-2 078†	-851	1 418†
1985 Q1	1 405	-2	-125	-834	-1 770	-129	1 934	2 230	-1 865	-844	1 455
Q2	1 920	-424	-899	-1 024	-838	-2 909	1 831	1 020	-202	1 525	4 174
Q3	1 140	-346	693	-679	-543	327	2 117	997	-1 528	-2 178	-592
Q4	1 542	-235	-479	-458	-731	-2 214	1 822	1 269	-1 291	775	2 575
1986 Q1	1 822	-212	788	-320	461	-4 378	2 099	1 578	-1 912	74	1 839
Q2	568	-292	-1 317	-588	-362	1 666	898	3 658	-4 174	-57	325
Q3	2 616	-413	-322	-441	-2 765	-336	1 668	2 465	-4 926	2 454	1 661
Q4	290	-1 387	-35	-628	-3 105	-1 540	4 749	3 298	-164	-1 478	6 405
1987 Q1	2 572	-1 029	271	-273	-1 307	-1 144	1 778	2 709	-2 510	-1 067	910
Q2	2 317	-1 230	-887	-1 294	-3 908	459	2 361	5 016	-1 592	-1 242	4 543
Q3	1 959	-1 268	514	-508	-4 724	-8 363	4 609	9 765	-1 850	-134	12 390
Q4	1 599	-213	-325	-1 104	-258	-4 218	4 178	4 322	-3 601	-380	4 519
1988 Q1	1 752	-1 068	237	-3 675	-1 532	-4 973	7 582	4 118	-2 459	18	9 259
Q2	435	-820	-1 262	-1 625	-3 031	-5 745	7 453	3 863	505	227†	12 048
Q3	3 095	-720	268	-2 608	-1 948	..	8 193	3 001	-2 983	..	..

1 Inflows(+), outflows(-); relationships between columns: 1+2+3+4+5+6+7+8+9+10 = zero; 7+8+9+10 = 11.
2 Retained in UK (+); retained abroad (-).
3 Includes accruals adjustment.
4 Seasonal adjustments include day-of-week adjustments. The quarterly figures therefore do not always sum to the annual totals.
5 Cash expenditure on subsidiaries and trade investments in the United Kingdom.
6 Includes Bank of England Issue Department transactions in commercial bills.

Source: Central Statistical Office

Industrial and commercial companies net borrowing requirement





37 UK banks' lending to UK residents[1]

£ million

	Lending to public sector			Lending to private sector		
	Sterling	Other currencies	Total	Sterling	Other currencies	Total
Transactions						
	AEBT	AECC	FPAA	AECI	AECO	FPAD
1984	631	291	922	14 666†	4 904	21 445
1985	-2 092	404	-1 688	19 806	4 742	25 710
1986	-954	30	-924	29 976	8 248	38 694
1987	59	-347	-288	42 142	10 548	48 980
1988	-1 477†	-566†	-2 043†	55 713	9 709†	66 403†
1983 Q4	-101	185	149	3 609†	-108	3 545
1984 Q1	1 213	-36	1 066	2 569	1 102	5 438
Q2	-2 580	43	-2 307	4 953	808	3 970
Q3	1 038	115	1 042	2 502	1 047	4 861
Q4	960	169	1 121	4 642	1 947	7 176
1985 Q1	-3 653	89	-3 586	7 667	3 227	9 531
Q2	-1 815	35	-1 801	5 042	1 382	6 305
Q3	1 723	22	1 724	3 974	-806	3 629
Q4	1 653	258	1 975	3 103	939	6 245
1986 Q1	72	1	51	7 768	2 362	8 900
Q2	-1 420	-69	-1 510	7 500	1 575	8 045
Q3	-383	195	-210	7 386	3 688	10 608
Q4	777	-97	745	7 322	623	11 141
1987 Q1	651	220	854	9 653	7 142	13 868
Q2	-2 775	28	-2 764	11 160	4 733	13 656
Q3	-176	-80	-273	11 136	-1 151	10 276
Q4	2 359	-515	1 895	10 193	-176	11 180
1988 Q1	512	-761	-267	10 782	1 819	14 490
Q2	-3 244	-130	-3 391	17 059	1 633†	17 215†
Q3	-1 221†	1	-1 238†	15 843	3 033	18 277
Q4	2 476	324†	2 853	12 029	3 224	16 421

1 Seasonally adjusted data are shown on a calendar year basis whereas data in Tables 1, 29 and 30 are on a financial year basis. The quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

Source: Bank of England

38 UK banks' loans, advances and acceptances to UK residents[1]

£ million

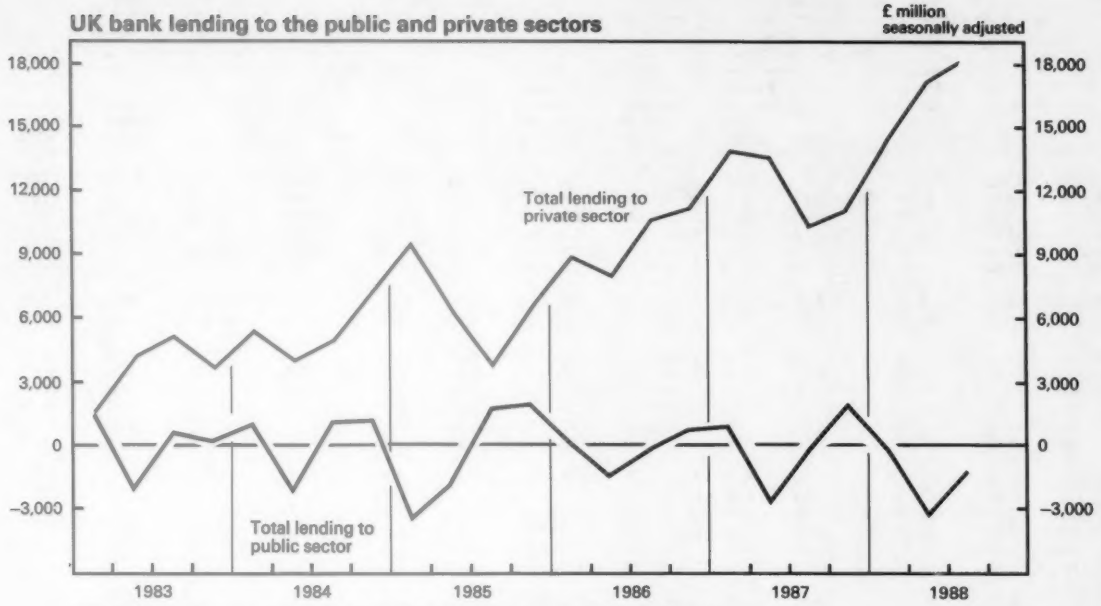
	Manufacturing	Other production	Financial	Services	Persons	Total loans, advances and acceptances
Amounts outstanding (November 1988):	40 562	21 234	80 152	84 184	78 319	304 450
Changes						
	FRAB	FRAC	FRAD	FRAE	FRAF	FRAA
1986 Feb	36	585	941	2 191	1 260	5 013
May	518	-213	3 883	3 509	1 882	9 582
Aug	358	487	1 849	2 320	2 784	7 796
Nov	1 193	-570	2 715[2]	-6 554[2]	1 759	11 264
1987 Feb	965	972	6 512	2 135	2 017	12 599
May	-1 038	1 673	7 260	3 386	3 517	14 797
Aug	578	-436	2 999	2 091	4 532	9 764
Nov	858	-228	3 428	4 355	4 518	12 931
1988 Feb	1 493	723	-1 324†	5 217†	3 112†	9 221†
May	2 536	893	2 189	4 821	4 431	14 871
Aug	4 345	751†	816	4 785	5 547	16 244
Nov	2 821	1 487	5 296	6 694	3 878	20 178

1 For a more detailed breakdown of these figures see *Financial Statistics* Table 6.6. The analysis covers loans, advances and acceptances in both sterling and foreign currencies (changes in the latter being adjusted for exchange rate movements) provided by banks to their customers and therefore does not include funds placed through the local authority money market or funds lent to monetary sector institutions. Acceptances are not granted to persons.

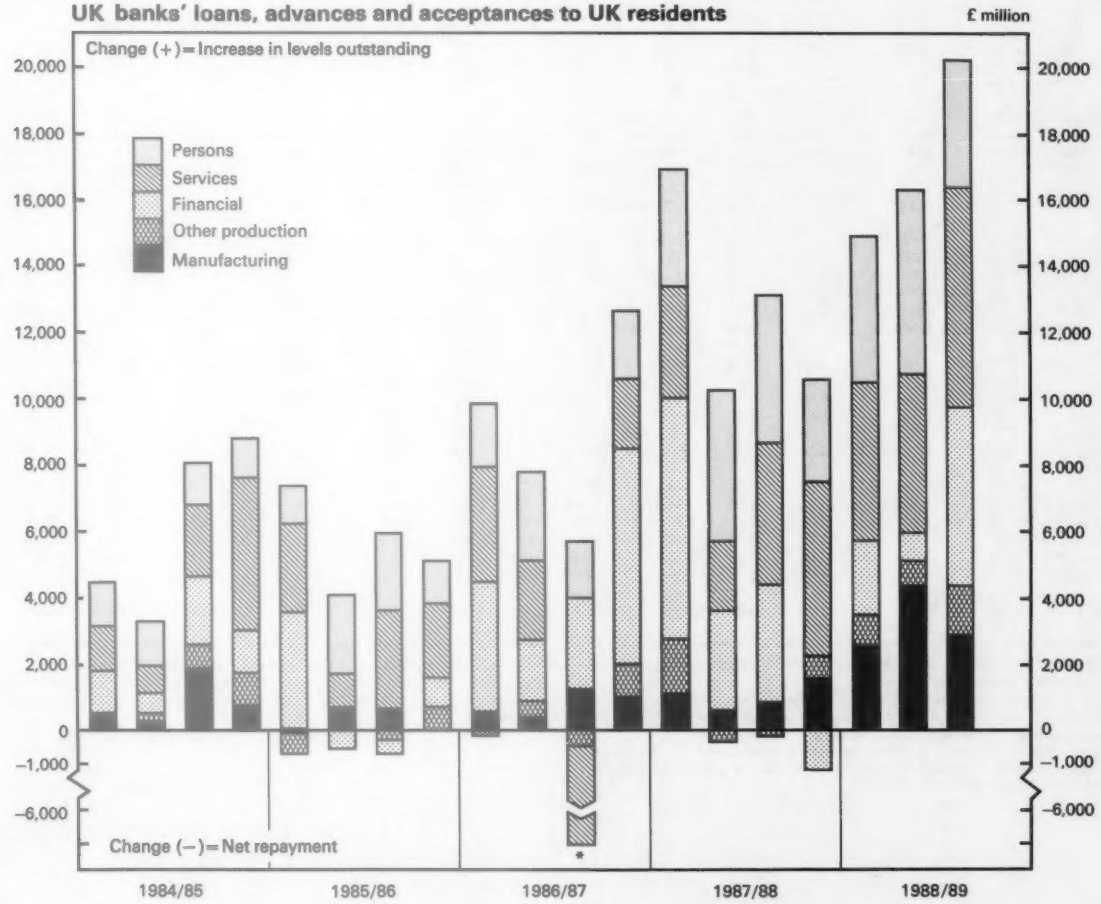
2 From November 1986 lending to securities dealers, stockbrokers and stockjobbers (including money placed with Stock Exchange money brokers and gilt-edged market makers) is included within the financial sector. Such lending was previously included in the services sector. Whilst the effect of this reclassification can be seen in the change shown for the services sector in the period August-November 1986, it is not possible to reflect it in the financial sector for the same period because the amount of outstanding lending to securities dealers etc. at August 1986 is not known.

Source: Bank of England

UK bank lending to the public and private sectors



UK banks' loans, advances and acceptances to UK residents



* See footnote[2] page 66 lower table

39 Interest rates, security prices and yields

Percentage rate

	Last Friday						Last working day		Average of working days			
			Selected retail banks							Financial Times index of industrial ordinary shares 1 July 1935 = 100		
	Treasury bill yield[1]	Deposits with local authorities - 3 months[2]	Base rate	Deposit account: 7 days' notice	Inter-bank 3 month rate[3]	Sterling certificates of deposit - 3 months	Euro-dollar 3 month rate	Building societies average rate on shares[4]	British government securities: long dated[5] - 20 years	Price index	Dividend yield	Earnings yield
	AJNC			AJNF			AJIB	AJNM	AJLX	AJMT	AJMU	AJMV
1982	9.96	10.63	10.00-10.25	6.81	10.44-10.63	10.19-10.31	9.25	..	12.88	574.72	5.29	10.82
1983	9.04	9.31	9.00	5.50	9.34-9.41	9.25- 9.31	9.87	..	10.80	692.62	4.70	9.58
1984	9.33	10.13	9.50- 9.75	6.25	10.00-10.13	9.81- 9.94	8.62	7.00	10.69	854.87	4.66	10.76
1985	11.49	11.94	11.50	7.86	11.81-11.94	11.69-11.81	7.97	7.58	10.62	1 004.64	4.62	11.48
1986	10.94	11.31	11.00	6.92	11.00-11.13	11.00-11.13	6.31	5.94	9.87	1 287.11	4.25	10.16
1987	8.38	8.88	8.50	3.58	8.75-9.00	8.81- 8.88	7.25	5.24	9.47	1 600.01	3.73	8.98
1988	12.91	13.19	13.00	5.97	12.69-13.19	12.94-13.00	9.25	4.38†	9.36	1 448.73	4.62	11.72
1985 Jul	11.63	11.88	12.00	8.54	11.56-11.94	11.69-11.81	8.19	8.25	10.44	935.24	4.96	12.38
Aug	11.31	11.50	11.50	7.86	11.50-11.69	11.31-11.44	8.06	8.25	10.37	973.60	4.82	11.88
Sep	11.32	11.38	11.50	7.86	11.50-11.56	11.31-11.44	8.12	7.01	10.39	1 002.83	4.73	11.61
Oct	11.45	11.50	11.50	7.86	11.56-11.69	11.38-11.50	8.00	7.00	10.22	1 034.23	4.64	11.35
Nov	11.33	11.50	11.50	7.86	11.56-11.63	11.38-11.50	8.19	7.00	10.37	1 099.30	4.40	10.87
Dec	11.49	11.94	11.50	7.86	11.81-11.94	11.69-11.81	7.97	7.00	10.45	1 113.88	4.45	11.04
1986 Jan	12.47	12.75	12.50	8.78	11.81-11.94	12.69-12.81	8.00	7.00	10.80	1 127.58	4.43	10.89
Feb	12.21	12.25	12.50	8.78	12.25-12.38	12.13-12.38	7.75	7.00	10.40	1 220.80	4.27	10.32
Mar	11.04	11.25	11.50	7.74	11.13-11.31	11.19-11.31	7.34	7.00	9.39	1 348.97	4.00	9.55
Apr	10.09	10.38	10.50	6.54	10.25-10.38	10.19-10.31	6.81	6.01	8.76	1 391.12	3.87	9.49
May	9.56	9.75	10.00	6.54	9.69-9.94	9.63- 9.75	7.09	6.00	9.00	1 331.60	4.10	10.20
Jun	9.52	9.75	10.00	6.54	9.75-9.88	9.66- 9.72	6.81	5.25	9.23	1 332.13	4.14	10.03
Jul	9.78	9.88	10.00	6.08	9.88-10.00	9.75- 9.88	6.44	5.25	9.37	1 309.62	4.21	10.14
Aug	9.56	9.81	10.00	6.08	9.81-9.94	9.63- 9.75	5.62	5.25	9.41	1 262.13	4.37	10.56
Sep	9.93	10.38	10.00	6.08	10.50-10.69	10.44-10.56	6.06	5.25	9.97	1 286.23	4.31	9.91
Oct	10.85	10.94	11.00	6.92	11.60-11.25	11.00-11.13	5.87	5.25	10.62	1 262.33	4.42	10.16
Nov	10.98	11.38	11.00	6.92	11.38-11.44	11.19-11.25	6.06	5.99	10.80	1 289.25	4.41	10.21
Dec	10.94	11.31	11.00	6.92	11.00-11.13	11.00-11.13	6.31	5.99	10.69	1 283.58	4.45	10.50
1987 Jan	10.85	11.00	11.00	6.92	11.00-11.13	10.88-11.00	6.19	5.99	10.09	1 392.63	4.12	9.68
Feb	10.46	10.75	11.00	6.92	10.69-10.81	10.69-10.75	6.37	5.99	9.83	1 529.60	3.72	8.72
Mar	9.54	9.87	10.00	5.60	9.69-9.81	9.63- 9.66	6.56	5.99	9.16	1 596.26	3.67	8.48
Apr	9.39	9.63	10.00	5.54	9.63-9.69	9.63- 9.69	7.06	5.99	9.12	1 554.78	3.77	8.58
May	8.68	8.75	9.00	4.69	8.81-8.94	8.69- 8.81	7.25	5.03	8.82	1 674.07	3.44	8.23
Jun	8.96	9.13	9.00	4.69	9.06-9.13	8.97- 9.03	7.12	5.00	8.90	1 759.78	3.25	7.83
Jul	9.14	9.25	10.00	4.69	9.19-9.44	9.03- 9.06	6.94	4.99	9.23	1 855.23	3.10	7.52
Aug	10.12	10.38	10.00	4.95	10.13-10.50	10.13-10.19	7.12	4.99	9.92	1 757.59	3.28	8.11
Sep	10.02	10.06	10.00	4.95	10.13-10.25	10.00-10.13	8.31	4.99	9.98	1 801.84	3.26	7.98
Oct	9.07	9.19	9.50	4.61	9.19-9.31	9.06- 9.19	7.62	4.99	9.88	1 645.30	3.75	9.22
Nov	8.67	8.88	9.00	4.12	8.88-9.03	8.78- 8.84	7.88	4.93	9.20	1 296.04	4.78	11.83
Dec	8.38	8.88	8.50	3.58	8.75-9.00	8.81- 8.88	7.25	4.02	9.57	1 337.02	4.67	11.58
1988 Jan	8.38	8.69	8.50	3.58	8.69-8.75	8.66- 8.72	6.81	4.00	9.57	1 419.37	4.39	11.02
Feb	9.01	9.25	9.00	4.04	9.19-9.63	9.13- 9.25	6.88	4.00	9.38	1 397.56	4.48	11.16
Mar	8.48	8.63	8.50	3.53	8.56-8.75	8.59- 8.66	6.81	4.00	9.12	1 446.73	4.48	11.37
Apr	7.98	8.50	8.00	2.92	8.25-8.50	8.38- 8.44	7.25	4.00	9.12	1 421.19	4.57	11.89
May	7.28	7.63	7.50	2.43	7.56-7.75	7.50- 7.56	7.68	3.51	9.27	1 427.45	4.59	11.86
Jun	9.24	8.88	9.00	3.07	8.94-9.44	9.06- 9.13	7.88	3.49	9.32	1 470.13	4.51	11.56
Jul	10.53	10.75	10.50	4.52	10.63-10.94	10.56-10.63	8.31	3.49	9.51	1 488.92	4.52	11.47
Aug	11.82	11.88	12.00	4.93	11.31-12.25	11.88-11.94	8.50	4.69	9.47	1 474.30	4.61	11.67
Sep	11.72	11.88	12.00	5.43	11.75-12.19	11.81-11.88	8.63	4.70	9.60	1 429.22	4.80	12.11
Oct	11.84	12.00	12.00	5.43	12.00-12.25	12.00-12.60	8.56	5.57	9.23	1 493.35	4.65	11.71
Nov	12.98	12.75	13.00	5.43	12.13-13.00	13.00-13.03	9.31	5.57	9.30	1 478.12	4.78	12.00
Dec	12.91	13.19	13.00	5.97	12.69-13.19	12.94-13.00	9.25	5.59†	9.46	1 438.44	5.08	12.84
1989 Jan	12.70†	12.81	13.00	5.97†	13.00-13.13	12.94-13.19	9.31†	..	9.35†	1 543.53†	4.76†	11.98†

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.

2 For a minimum term of 3 months and thereafter at 7 days' notice.

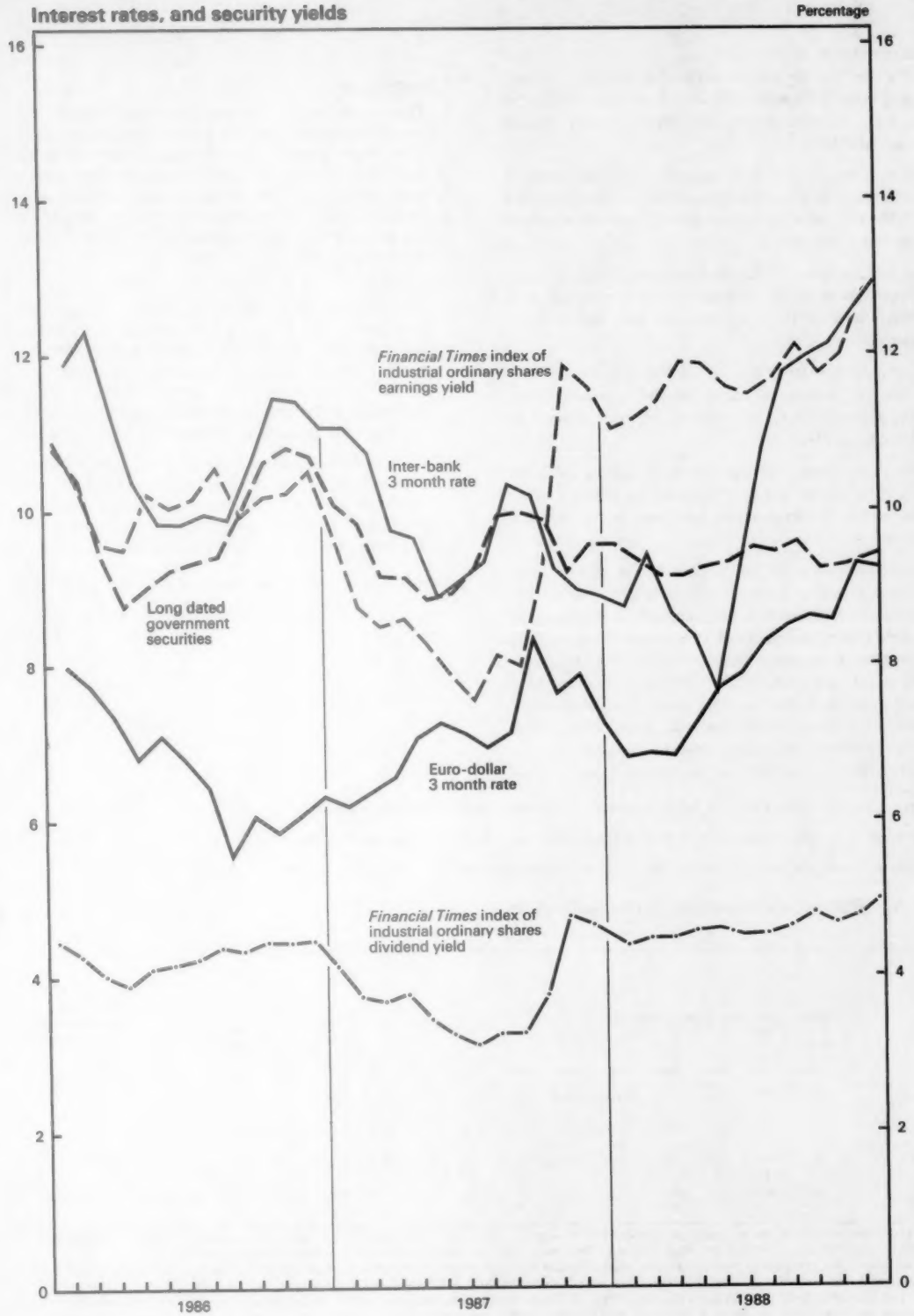
3 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.

4 The series comprises a weighted average of basic rates offered by the largest societies. The rates are net of income tax where this is paid by societies at the agreed composite rate.

5 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see *Financial Statistics Explanatory Handbook*.

Sources: Central Statistical Office; Bank of England; HM Treasury; Building Societies Commission; Financial Times; Institute of Actuaries; Faculty of Actuaries

Interest rates, and security yields



Cyclical indicators for the UK economy

Recent movements of the indices

First estimates of the longer leading index to January 1989 and the lagging index to December 1988 are now available. The shorter leading and coincident indices, available to January, contain additional information.

The provisional longer leading index for January fell compared with December, reflecting in particular the fall in optimism reported by the CBI. This fall continues the generally downward path of the index since July 1987.

The January value of the shorter leading index is highly provisional. Nevertheless the index has declined continuously since July 1988, influenced mainly by a reduction in the growth of new consumer credit.

The coincident index is showing a declining path since early 1988. However, making allowance for the suspected under-recording of GDP(E) in the third quarter, the index shows some decline from mid-1988.

After a rise during 1987 the path of the lagging index has flattened in the second half of 1988 under the influence of the recorded decline in manufacturing investment in the third and fourth quarters.

The interpretation of the indices since 1981 is that they could show a cyclical peak in economic activity in early 1985. There may have been a mild trough in 1986, although the decline in the indices before their renewed growth is less marked than previous cyclical movements, especially those seen in the 1970s. The current declines in the longer and shorter leading indices and little movement in the coincident index are broadly consistent with a slowdown in the rate of economic growth. Recent values of the indices are, however, particularly subject to revision as more information becomes available so any interpretation remains provisional.

Definitions

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is a economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the value of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of singular amplitude, and inversion where appropriate.

Information included in Table A below is based on monthly and quarterly data available to 24 February.

The long run of charts which usually appear in the February edition will be shown in the March edition.

Precise details on data availability for each of the component series used in the compilation of the indicators is shown in Table B.

Table A - Recent movements of the indicators

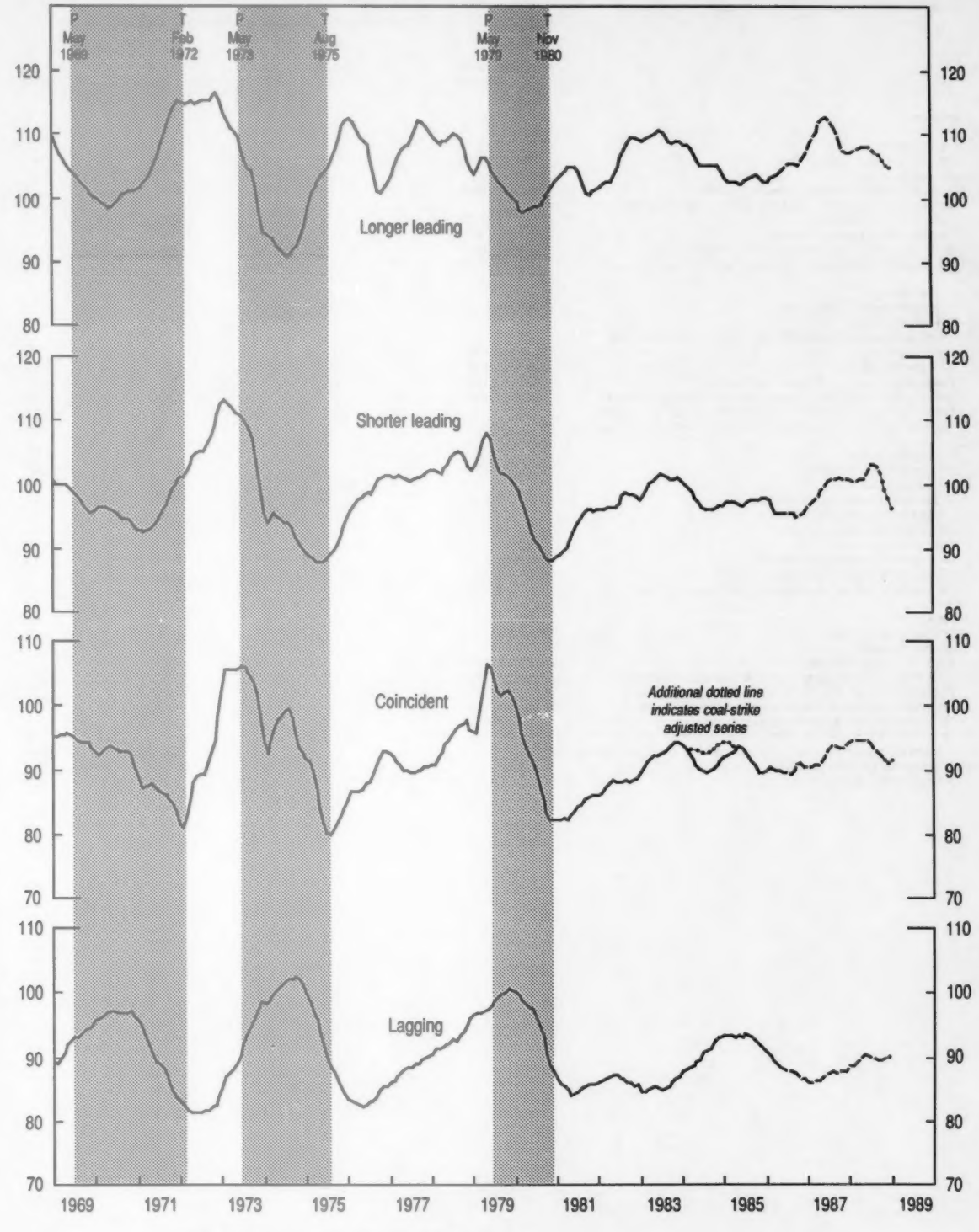
	Most recent values January 1980=100													Lead (-) or lag (+) in months relative to reference cycle dates		
	1988												1989			
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Mean	Earliest	Latest
Longer leading	107.6	107.5	107.8	108.2	108.3	108.4	108.3	108.0	107.6	107.3	106.3	105.5	105.2	−12	−21	−5
	5	5	5	5	5	5	5	5	5	4	4	4	3			
Shorter leading ..	100.7	100.3	100.3	100.7	100.9	102.0	103.1	102.9	102.8	101.6	98.9	97.7	96.2	−5	−12	0
	5	5	5	5	5	5	5	5	5	4	4	4	2			
Coincident	94.1	94.7	94.5	94.6	94.6	94.4	94.0	93.3	92.9	92.2	91.5	91.1	90.7	0	−7	+5
	7	7	7	7	7	7	7	7	7	5	5	5	3			
Lagging	88.8	88.7	89.4	89.9	90.6	90.2	89.9	89.9	89.5	89.6	89.8	90.1		+10	+1	+17
	5	5	5	5	5	5	5	5	5	5	5	4				

1 A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February May, August and November issues, a further ten pages showing individual indicator series.

2 In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revisions each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in the calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO: 01-270 5966.

Cyclical indicators

Composite indices of indicator groups.January 1980=100



Subject to revision due to trend re-estimation

Based on incomplete data

Table B - The indicators: their timing characteristics and data availability

	Latest data included	Timing relative to reference cycle dates[1] (-) leads (+) lags months		
		Average (mean)	Earliest	Latest
Indicators				
Longer leading				
Composite longer leading index	January 1989	-12	-21	- 5
Component series:				
Rate of interest, 3 months prime bank bills[2]	January 1989	-17	-28	-11
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator	1988 Q3	-15	-21	- 9
Total dwellings started, Great Britain	December 1988	-10	-25	+ 6
Financial Times - Actuaries 500 share index[2,3]	January 1989	- 9	-20	- 4
CBI quarterly survey: change in optimism[2]	January 1989	-10	-19	- 4
Shorter leading				
Composite shorter leading index	January 1989	- 5	-12	0
Component series:				
Credit extended by finance houses, retailers and other credit grantors	December 1988	- 6	-15	+ 3
New car registrations	December 1988	- 7	-26	0
CBI quarterly survey: change in new orders[2]	January 1989	- 8	-28	+ 2
CBI quarterly survey: expected change in stocks of materials[2]	January 1989	- 5	-15	- 2
Gross trading profits of companies,excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator	1988 Q3	- 6	-18	0
Roughly coincident				
Composite coincident index	January 1989	0	- 7	+ 5
Component series:				
Gross domestic product (expenditure)	1988 Q3	+ 1	- 9	+10
Gross domestic product (output)	1988 Q4	- 2	- 7	+ 1
Gross domestic product (income)	1988 Q3	+ 1	- 3	+ 5
Volume of retail sales	January 1989	- 3	-15	+ 6
Output of the production industries	December 1988	- 1	- 4	+ 2
CBI quarterly survey: capacity utilisation	January 1989	+ 2	- 3	+ 7
CBI quarterly survey: change in stocks of raw materials	January 1989	-1	- 6	+ 8
Lagging				
Composite lagging index	December 1988	+10	+ 1	+17
Component series:				
Adult unemployment index[3]	December 1988	+ 6	- 1	+14
Total employment in manufacturing industries United Kingdom	December 1988	+ 8	- 1	+15
Investment in plant and machinery, manufacturing industry	1988 Q4	+11	+ 6	+18
Engineering industries, volume index for orders on hand	November 1988	- 7	- 4	+15
Level of stocks and work in progress, manufacturing industry	1988 Q4	+11	0	+20

1 Assessed on performance up to last identified trough, November 1980.
2 Seasonally adjusted by CSO.
3 Adjusted for changes in coverage.

Source: Central Statistical Office

Measures of variability of selected economic series[1]

	Table	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1980 prices								
GDP, factor cost								
Expenditure-based	2	1st quarter 1970 to 2nd quarter 1987	*1.4*	*0.9*	*0.9*	1.1	2	0.4
Income-based	2	1st quarter 1970 to 2nd quarter 1987	*1.2*	*0.8*	*0.9*	0.9	1	0.9
Output-based	2,17	1st quarter 1970 to 2nd quarter 1987	*1.0*	*0.5*	*0.8*	0.7	1	0.7
Average estimate	2	1st quarter 1970 to 2nd quarter 1987	*1.0*	*0.6*	*0.8*	0.8	1	0.8
Consumers' expenditure	3,4,5	1st quarter 1970 to 2nd quarter 1987	*1.2*	*0.7*	*0.9*	0.8	1	0.8
Fixed capital formation								
Total	3,9	1st quarter 1970 to 2nd quarter 1987	*2.2*	*1.6*	*1.4*	1.2	2	0.5
Manufacturing industry	10	1st quarter 1970 to 2nd quarter 1987	*3.4*	*1.7*	*2.5*	0.7	1	0.7
Stockbuilding[2]								
Total	3,13	1st quarter 1970 to 2nd quarter 1987	*421.7*	*293.8*	*236.9*	1.2	2	0.5
Manufacturing	13	1st quarter 1970 to 2nd quarter 1987	*273.8*	*163.6*	*163.2*	1.0	2	0.5
Exports: goods and services	3	1st quarter 1970 to 2nd quarter 1987	*2.9*	*2.2*	*1.7*	1.3	2	0.5
Imports: goods and services	3	1st quarter 1970 to 2nd quarter 1987	*3.3*	*2.4*	*2.1*	1.1	2	0.4
Real personal disposable income	4	1st quarter 1970 to 2nd quarter 1987	*1.6*	*1.1*	*1.1*	1.1	2	0.3
Other national income series								
Gross trading profits of industrial and commercial companies	34	1st quarter 1970 to 2nd quarter 1987	*6.1*	*2.9*	*4.6*	0.6	1	0.6
Other quarterly series								
Construction output[3]	18	1st quarter 1970 to 2nd quarter 1987	*2.1*	*1.4*	*1.3*	1.1	2	0.4
Public sector borrowing requirement[4]	32	1st quarter 1970 to 2nd quarter1987	*795.6*	*571.0*	*379.7*	1.5	2	0.8
Personal saving ratio[5]	4	1st quarter 1970 to 2nd quarter 1987	*1.4*	*1.3*	*0.6*	2.0	2	0.6
Monthly series								
Retail sales								
Food retailers	6	January 1971 to February 1987	*0.9*	*0.8*	*0.3*	3.0	4	0.8
Mixed retail businesses	6	January 1971 to February 1987	*2.0*	*1.9*	*0.5*	3.7	4	1.0
Clothing and footwear retailers	6	January 1971 to February 1987	*2.5*	*2.4*	*0.6*	4.1	4	1.0
Household goods retailers	6	January 1971 to February 1987	*2.6*	*2.4*	*0.8*	3.1	4	0.9
Other non-food retailers	6	January 1971 to February 1987	*1.4*	*1.3*	*0.4*	3.4	4	0.9
Cars: new registrations	6	January 1975 to December 1987	*8.2*	*8.2*	*0.8*	10.1	6	
Housing: public authorities[6]								
Starts	12	January 1958 to December 1987	*12.6*	*12.4*	*1.9*	6.5	6	1.2
Completions	12	January 1958 to December 1987	*8.8*	*8.7*	*1.3*	6.6	6	1.1
Housing: private[6]								
Starts	12	January 1958 to December 1987	*9.8*	*9.6*	*1.8*	5.3	6	1.0
Completions	12	January 1958 to December 1987	*6.2*	*6.2*	*1.0*	6.5	6	1.1
Index of industrial production:								
Production industries	1,16,17	January 1973 to October 1986	*1.2*	*1.0*	*0.5*	2.3	3	1.0
Manufacturing industries	16,17	January 1973 to October 1986	*1.3*	*1.2*	*0.4*	2.7	4	0.8
Passenger car production:								
Home market	19	January 1976 to December 1986	*12.2*	*12.0*	*1.8*	6.8	6	1.4
Export	19	January 1976 to December 1986	*15.2*	*14.6*	*2.6*	5.7	6	1.1
Commercial vehicle production:								
Home market	19	January 1976 to December 1986	*10.9*	*9.7*	*3.1*	3.1	4	0.9
Export	19	January 1976 to December 1986	*10.1*	*9.3*	*2.7*	3.4	5	0.8
Unemployed males - excluding school leavers[7]	1,21	January 1971 to October1986	*15.5*	*4.5*	*14.4*	0.3	1	0.3
Unemployed females - excluding school leavers[7]	1,21	January 1971 to October 1986	*6.0*	*1.7*	*5.6*	0.3	1	0.3
Vacancies unfilled at job centres[7]	1,21	April 1978 to September 1986	*4.2*	*1.8*	*3.5*	0.5	1	0.5
Average earnings: whole economy	23	January 1976 to December 1982	*1.0*	*0.3*	*1.0*	0.3	1	0.3
Exports: value, f.o.b.[8]	27	January 1980 to September 1988	*3.2*	*3.0*	*1.0*	2.9	2	0.9
Imports: value, f.o.b.[8]	27	January 1980 to September 1988	*4.0*	*3.5*	*1.5*	2.4	2	0.9
Money stock - £M3[9]	1,29	January 1980 to March 1985	*1.2*	*0.8*	*1.1*	0.7	1	0.7

1 For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No 226, August 1972.
The following are brief definitions of the measures.
$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.
$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.
$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes 2,4,6 and 8.
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

2 The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present, seasonal adjustment of the published stocks series is performed multiplicatively on the level of stocks.

3 Series relates to Great Britain.

4 The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

5 The figures in the tables were obtained from an additive analysis of the personal saving ratio so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in percentage points.

6 Series relate to Great Britain, though variability measures calculated from England and Wales component.

7 Series relate to Great Britain and may be found in Tables 2.2 and 3.2 of *Employment Gazette*.
The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

8 The figures have been updated as described in an article in *Economic Trends*, No 320, June 1980.

9 Although £M3 flows are seasonally adjusted **additively**, the figures above for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ for **levels** are presented as percentages of the level of the trend in the preceding month.

Source: Central Statistical Office

An investigation into balancing the UK national and financial accounts, 1985-7

Introduction

1. This article is a progress report on experimental work, carried out by the Central Statistical Office (CSO)*, aimed at providing balanced national and financial accounts for the years 1985 to 1987. The article explains the background to the work, the way in which balancing has been approached, and presents some preliminary results. It makes an assessment of the work so far, and discusses how it might be taken forward.

2. The work reported here was foreshadowed in the press notice which accompanied the publication of *"United Kingdom National Accounts" (The "Blue Book")* last September. It was set up primarily in response to the very large balancing items that have appeared in the sector accounts in the last few years, particularly for 1987. The CSO declared its intention to examine the feasibility of producing balanced accounts for the period 1985 to 1987. These accounts would eliminate the residual error (the difference between the expenditure and income measures of gross domestic product (GDP)) and the sector balancing items by adjusting those elements of the accounts which are known to be most uncertain or where it is suspected that there may be deficiencies in coverage. In the press notice, the CSO said it would publish an article on the exercise "within the next six months".

3. The current exercise was, and still is, seen as experimental. Its main aims were to assist in the interpretation of the existing accounts, using subjective assessments, and, through these, to identify more clearly the likely areas of weakness in the accounts. A subsidiary, and longer term, aim was that balancing should be looked at as a possible way of producing more coherent accounts on a regular basis. But it was not the intention that any figures produced by the current exercise should replace the existing published accounts. In September, 1988, it was said that this was to be a CSO contribution to the debate about the quality of the national and financial accounts. The CSO would welcome the views of others on the work described in this article, and on balanced accounts in general.

4. Over the last six months, the work has been carried out by collecting, specifically for this exercise, assessments of the reliability of the series provided by compilers of the statistics, and then using them as an input to the production of balanced sets of accounts. This information has necessarily been subjective, and some results have been seen to be sensitive to the assumptions made by compilers. Because the accounts that have been produced balance within the accounting framework, in this one important sense they are more coherent, and they offer possible interpretations of what has been happening in the UK economy over the period 1985 to 1987. However, the CSO cannot yet attach confidence to these interpretations, which remain surrounded by considerable uncertainty.

5. There are enough positive aspects of the work to suggest that it is worth continuing with the experiment. Although the model is sensitive to a number of the subjective assumptions of compilers, it does show some signs of robustness. In particular, certain items (such as company profits and transactions in securities) are subject to substantial adjustment, in the same direction, over a fairly wide range of different assumptions. Indeed, the adjustments in the accounts in general tend to be of a similar pattern for most reasonable changes in the assumptions. However, the balancing starts from accounts with some clear inconsistencies, and it is almost inevitable that, in some areas, the balancing process will lead to adjustments in a particular direction, whatever the error ranges assumed. Overall, compilers' reassessment of the error ranges and the balancing process itself have tended to confirm the views that the CSO has long held about the weaknesses in the accounts. Although it is not yet felt that the model has produced firm enough evidence for the CSO to reassess its priorities in allocating its resources to particular areas of research, the possibility of using balanced accounts in this way in the future has not been ruled out.

Background

6. The national and financial accounts, which are compiled quarterly and annually, provide the basic description of the economy on which the Government's macro-economic policy is judged. They are also widely used outside Government. The accounts generally are compiled from a wide variety of sources, such as administrative or survey data. The key aggregate in the national accounts is gross domestic product (GDP), which is measured in three ways- from the sum of final expenditures (GDP(E)), from the sum of incomes (GDP(I)), and from net output (GDP(O)). GDP(E) is measured at both current and constant prices, GDP(I) only at current prices, and GDP(O) only at constant prices. The "residual error" in the accounts is defined as the difference between GDP(E) and GDP(I), at current prices.

7. Estimates are compiled for different sectors of the domestic economy and for the overseas sector. For each sector, the current and capital accounts (including inter-sectoral transfers which do not enter into the calculation of GDP and therefore do not affect the residual error)[1] generate a financial surplus/deficit. The financial accounts[2] complete the accounting framework and show how these surpluses or deficits are invested or financed. For each sector, the financial surplus/deficit, and the total of net financial transactions, should, according to the framework, be equal. Given the complexity of the economy and the myriad and general independence of data sources used in preparing the accounts, it is not surprising that the estimates based on the data collected do not balance. For each sector, the difference between the financial surplus/deficit and the total of net transactions represents the balancing item for that sector. The sum of the sector balancing items is equivalent to the residual error (with sign reversed).

8. These imbalances, as they appeared in the 1988 Blue Book, are shown below. (Later figures have been published in January *Economic Trends*. Because the full detail required for the balancing exercise is available only annually, the present exercise is based on the earlier Blue Book data.) A summary analysis of current, capital and financial transactions, by sector,

* Although the work has been undertaken in CSO, it has relied, as does the regular compilation of national and financial accounts, on major contributions from other government departments and the Bank of England.

(1) These transactions are said to be "above the line", that is above the line drawn at the financial surplus or deficit.

(2) These transactions are said to be "below the line".

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is given for 1987 in Table 1. GDP(E) is shown in Box B, and GDP(I) in Box A. Further details about the construction of the national and financial accounts may be found in the CSO publications *"United Kingdom National Accounts - Sources and Methods"* (HMSO, 1985), and *"United Kingdom National Accounts" (The Blue Book)* (HMSO, 1988).

TABLE A
Balancing items

£ billion

	1985	1986	1987
Personal sector	-9.1	-16.4	-21.7
Industrial & commercial companies	4.8	4.6	14.1
Monetary sector	-0.7	0.1	-0.9
Other financial institutions	0.0	-1.2	9.6
Public sector	0.4	1.2	1.0
Overseas sector	5.7	14.4	3.5
Total*	1.1	2.7	5.7

*The residual error with sign reversed

9. In the normal course of events, the residual error reduces as the estimates are revised in the light of later and more complete information. The residual errors for the years to 1986, shown in the Table, are substantially lower than those which were published in the previous year's Blue Book, and, by January 1989 *Economic Trends*, the residual error for 1987 had been halved. Even so, differences in the residual error from one year to the next can imply significant differences in annual growth rates shown by GDP(E) and GDP(I), particularly when estimates are first published. Further, the sector balancing items remain at unacceptably high levels. The persistently negative figure for the personal sector has grown substantially in the last few years, while erratic figures are evident for the industrial and commercial companies (ICCs) sector (particularly 1987), the overseas sector (particularly 1986) and the other financial institutions (OFIs) sector (1987). These large and persistent errors in the accounts led the CSO, in September, 1988, to embark upon an investigation into the advantages of balancing the accounts.

Balancing the accounts

10. The essence of the balancing process is the fitting of statistical estimates into the theoretical accounting framework on the basis of their assessed reliability, using a mathematical technique of minimising a weighted sum of squares of the differences between published and balanced values. Balancing was undertaken at the detail of Table 1 (but also including a rough breakdown of the monetary sector and OFI figures of current transactions). The estimates cover GDP(E) and GDP(I), and are at current prices; information about GDP(O) has not been incorporated in this balancing exercise. Each item in Table 1 has associated with it a degree of reliability - an error range. It is reasonable to make greater balancing adjustments to the less reliable series, and this is the starting point of the balancing process. However, adjustments are constrained by the accounting framework. For example, the pattern of adjustments needed to reconcile the GDP figures may be different from that needed to eliminate the sector balancing items. A description of the methodology used in the CSO's balancing work is given in the Annex .

11. The assembly of input data needed as a basis for balancing has been undertaken by CSO, with contributions from data suppliers in other government departments and the Bank of England. Contributors were asked to provide an assessment of the quality of the data for each series for which they are responsible. This assessment had to be quantified in two respects. Where it was thought that the estimates might be too low or too high, prior adjustments were estimated. For all series, error ranges were required. Some of this information was already available, although not in sufficiently quantified form to be used directly. For example, *Sources and Methods* shows in which of three broad error ranges the accuracy of the main components of GDP(E) and GDP(I) is likely to fall, while qualitative information on the quality of financial transactions information is contained in the *Financial Statistics Explanatory Handbook*. The information on error ranges obtained in the study is considered to be a material improvement on that available previously.

12. The prior adjustments, which reflect possible omissions or inconsistencies, cover three kinds of uncertainty in the figures. First, the adjustments reflect the use of provisional data, where there is a suspicion of underestimation or overestimation. For some series these adjustments have reflected revisions coming on stream at the end of last year. Secondly, there may be known gaps or misallocations in the statistics. Thirdly, there may be unresolved differences in concept and definition. In general, where biases are suspected, prior adjustments are already made to the estimates in the published figures. However, in a few instances, there is great uncertainty about the values to be imputed, and no adjustments are made. For the balanced accounts exercise, compilers were asked to incorporate more speculative assessments of bias, which in some cases might be little more than hunches.

13. The second set of adjustments is error ranges. Compilers were asked to estimate for each series the 90 per cent probability range within which the true value would be expected to fall. (The figure of 90 per cent was chosen because this is the level used in *Sources and Methods*. In practice, it is the relative error amongst series which is relevant to the balancing). The assessment of error was easier in some cases than others. For example, where estimates are essentially sample-based, a statistical estimate could be calculated, although this is likely to be overlaid with non-sampling (eg reporting) errors. In most cases, though, a largely qualitative assessment of accuracy needs to be turned into a quantitive error range. There are special problems for financial transactions, many of which are measured on a net basis and from counterpart sources. "Net" in this sense relates to the netting out of transactions between organisations in the same sector, and also to a concept of net flow, that is the overall effect of a large number of transactions in offsetting directions. The attribution of error ranges to items which are compiled as residuals in the accounts (for example many of the personal sector transactions) raises its own problems. These have generally been based on errors in the components from which the residual has been derived. The errors have been combined assuming they are independent.

14. Some thought was also given to the importance of inter-related error terms, or covariance, between series. For example, if series B were derived from series A, there would be a covariance between the error ranges of the two series, and adjustments made to the two series in the balancing process would be in some ways related. In the event, insufficient work has been done on covariances and it was decided not to include any in the results presented in the article.

15. In undertaking the balancing exercise, an arbitrary level of aggregation had to be selected. The use of the detail shown in Table 1 for collecting input data and balancing the accounts largely reflects the need for compromise between a sufficient degree of disaggregation and excessive detail, which both increases the complexity of the calculation and impairs understanding of the results. To improve assimilation of the information, the input data

and the results are shown in a more aggregated format than in Table 1. In combining error ranges for this format, the assumption of independence has been made.

16. Error ranges and prior adjustments were provided by a number of different compilers in a number of different organisations. Methods of estimation varied, reflecting the wide range of data sources. The CSO's role of co-ordinator included the task of trying to ensure consistency of approach in the estimation of these input data. This was achieved first by defining the information required. Then the whole set of input data was circulated to all compilers, who were asked to reconsider their own estimates in the light of others. As a result, some initial estimates were revised. Given the diversity of data sources, and problems of estimation, a degree of subjectivity underlying the figures of error ranges and prior adjustments used in the analysis inevitably remains.

17. It would be possible to balance the different measures of GDP (that is eliminate the residual error) using only the information on the components of the current and capital transactions which go to make up GDP(E) and GDP(I). Some work of this kind has been done (see references at end). This approach has the advantage that it can be applied to constant or current price data. Some exercises have also exploited production data. However, most studies have ignored information on financial transactions. The balancing process used in this experiment aims to use the sector accounting information as well. It balances sectoral income and expenditure data, including transfers not included in GDP(E) and GDP(I), alongside financial transactions. As financial transactions and transfers are available only in current prices, the balancing exercise has been confined to an analysis in current prices.

The Input Data

18. The basic data to be balanced for 1985, 1986 and 1987, consistent with the 1988 Blue Book, are given in Tables 2A, 3A and 4A.

(a) Prior adjustments

19. The prior adjustments for each of the years 1985 to 1987 are shown in tables 2B, 3B and 4B. These take account of the more subjective views of compilers, and are not firmly enough based to include in official statistics. For the main components of GDP(E) and GDP(I), the prior adjustments are summarised in Table B below. In GDP(E), upward adjustments are included for both consumption and capital formation, partly reflecting revisions becoming available at the end of last year. The present estimates for exports of goods and services have been adjusted downwards to reflect more closely the definition of insurance services used in the domestic accounts.

20. On the income side, prior adjustments largely result from the availability of recent evidence. Positive adjustments are proposed for income from employment, largely reflecting a possible understatement of income in kind and of the earnings of those below the tax threshold. Within "gross profits and other trading income," positive adjustments for income from self-employment more than offset negative adjustments to profits. The latter reflects further information on the split between the monetary sector's profits from charges, fees, etc (which contribute to national accounts profits) and from net interest receipts (which feature as inter-sector transfers).

TABLE B
Prior adjustments [1]

£billion

	1985	1986	1987
GDP(E)			
Final consumption	-0.4	-0.9	-1.7
Gross domestic capital formation	-0.7	-0.6	-1.3
Exports of goods and services	0.9	1.4	1.4
Imports of goods and services	-0.1	-0.1	-0.1
Factor cost adjustment	0.0	0.0	0.0
Total	-0.3	-0.2	-1.7
GDP(I)			
Income from employment	0.7	0.8	1.1
Gross profits, and other trading income[2]	0.2	0.5	0.3
Other factor incomes[3]	0.0	0.6	1.0
Total	0.9	1.8	2.4
Financial transactions			
Personal sector	-1.7	-3.0	-3.1
Industrial & commercial companies	-0.5	-0.2	-0.2
Monetary sector	1.6	2.1	0.6
Other financial institutions	-1.6	-2.5	4.8
Public sector	0.0	0.0	0.0
Overseas sector	2.5	4.8	-2.9

(1)See note on sign convention on Appendix contents page.

(2)Income from self-employment, gross trading profits of companies, and trading surpluses of public corporations and general government enterprises.

(3)Income from rent and the imputed charge for non-trading capital consumption, *less* stock appreciation.

21. Perversely, by raising estimates of income more than expenditure, the effect of the prior adjustments is to increase the residual error in all three years. The expectation was that such adjustments would tend to reflect deficiencies in early estimates, and should therefore lead to greater congruence between GDP(E) and GDP(I).

22. For the financial accounts, Table B shows relatively large adjustments for some of the sectors. The greater detail in the tables at the end of the article indicates that the main adjustments relate to UK and overseas securities. Prior adjustments for transactions of non-reporting OFIs (including securities dealers) have led to a substantial increase being made to the estimates of OFIs' investment in securities in 1987. This has had the effect of changing, from net investment to net disinvestment, estimates of both UK company securities for the personal sector, and overseas securities for the overseas sector. Other prior adjustments have been postulated for notes, bills, etc., reflecting difficulty in sectorising sales of government floating rate notes; for bank deposits, relating to the treatment of discrepancies in interbank transactions and to incomplete coverage of OFIs' holdings of bank certificates of deposit; and for bank lending, where writing-off debt has distorted estimates of transactions.The adjustment for the overseas sector in 1986 is, again, largely in securities.

23. The net effect of all the prior adjustments is to modify the sector balancing items, as indicated in Table C below. Thus, for 1987, for example, despite a worsening in the residual error, the prior adjustments improve the balancing items for all sectors except the monetary and overseas sectors. In particular, for the personal sector the balancing item reduces from minus £21.7 billion to minus £17.8 billion, while for the OFIs sector the improvement is from £9.6 billion to £4.9 billion. In the previous

two years the balancing items for both monetary and other financial institutions sectors were worsened, whilst that for the overseas sector improved. Prior adjustments for the public sector are negligible.

TABLE C
Effect of prior adjustments on balancing items

£ billion

	Blue Book 1988	Prior adjust-ment	Adjusted
1987			
Personal sector	-21.7	3.9	-17.8
Industrial & commercial companies	14.1	-1.6	12.5
Monetary sector	-0.9	-0.7	-1.6
Other financial institutions	9.6	-4.7	4.9
Public sector	1.0	0.0	1.0
Overseas sector	3.5	3.7	7.2
Total	5.7	0.6	6.3
1986			
Personal sector	-16.4	4.3	-12.1
Industrial & commercial companies	4.6	-1.1	3.5
Monetary sector	0.1	-2.3	-2.2
Other financial institutions	-1.2	3.1	1.9
Public sector	1.2	0.0	1.2
Overseas sector	14.4	-4.1	10.3
Total	2.7	-0.1	2.6
1985			
Personal sector	-9.1	2.9	-6.2
Industrial & commercial companies	4.8	-0.9	3.9
Monetary sector	-0.7	-1.9	-2.6
Other financial institutions	0.0	2.6	2.6
Public sector	0.4	0.0	0.4
Overseas sector	5.7	-2.0	3.7
Total	1.1	0.6	1.7

b) Error Ranges

24. The error ranges are shown in Tables 2C, 3C and 4C. A selection is given below in Table D for 1985 (for which the accounts are near-final), for 1986 and for 1987, for the main components of both GDP(E) and GDP(I). Given that more recent data are more provisional, error ranges generally become progressively wider over the years 1985 to 1987.

TABLE D
Main error ranges[1] for GDP components

£billion

	1985	1986	1987
Final consumption	2.4	3.0	3.4
Gross domestic capital formation	1.5	1.5	2.5
Exports of goods and services	1.6	1.5	1.6
Imports of goods and services	1.5	1.4	1.5
Factor cost adjustment	0.0	0.1	0.2
Income from employment	2.8	2.9	3.7
Gross profits, and other trading income[2]	3.1	3.5	4.5
Other factor incomes[3]	1.0	1.2	1.6

(1)Defined as half the difference between the upper and lower limits of the 90 per cent range

(2)Income from self-employment, gross trading profits of companies, and trading surpluses of public corporations and general government enterprises.

(3)Income from rent and the imputed charge for non-trading capital consumption *less* stock appreciation

25. For the financial accounts, the major uncertainties are in the estimates of UK company securities and overseas securities (where certain information about the transactions of securities dealers is not available), and, within "other domestic transactions", of trade credit (where coverage is only partial) and life assurance and pension funds.

Results

26. It should be emphasised that the results depend, in part, on the structure of the imbalances in the accounts and, in part, on the assumptions fed in - for example, the allocation of adjustments above and below the line, or between series, depends on the assumed relative errors.

27. The results, given in Tables 5A, 6A and 7A, are based on the prior adjustments and error ranges shown in Tables 2, 3 and 4. They are expressed as balanced accounts covering 1985, 1986 and 1987, and have been constrained to balance to the GDP(A)* estimate for each year, as published in the 1988 Blue Book. Tables 5B, 6B and 7B give the differences between the balanced accounts and the published series, and Table 8 shows these differences for each of the six sectors for all three years.

28. Because the residual error is negative in each of the three years under study (that is, expenditure is less than income) and there is a negative balancing item in the personal sector account, there is an inherent conflict for any balancing process. Balancing GDP to GDP(A) requires income to be reduced and expenditure to be increased; however, balancing the personal sector account, which includes the two largest components of GDP - income from employment and consumers' expenditure - tends to require an increase in sources of funds and/or a reduction in uses of funds. This, together with the large positive balancing items in the ICC sector, will almost inevitably lead the balancing process to adjust company profits downwards, fixed capital formation upwards, and to smaller net financial investment by the personal sector.

29. The results largely confirm this expectation. Table E below shows the total adjustment (including prior adjustments) and the prior adjustment for the components of GDP(E) and GDP(I) for each of the three years. The largest adjustment is a marked reduction in gross profits and other trading income. For 1987, downwards adjustments of £4¾ billion for company profits and £2 billion for monetary sector profits (partly the prior adjustment) more than offset an increase of £1½ billion in income from self employment. Income from employment is increased by about £2 billion in 1987. In GDP(E), capital formation is adjusted upwards by nearly £2¾ billion in 1987, but consumption is only marginally up and compares with a moderately large prior adjustment. Exports and imports, in contrast, are adjusted downwards.

*GDP(A) is the average of the expenditure, income and output measures of GDP. In base years, eg 1985, its level is the simple average of the expenditure and income measures; between base years, changes in the output measure are also taken into account.

TABLE E
Total adjustments and prior adjustment components[1]

£billion

	1985		1986		1987	
	Total adjustments	of which prior adjustments	Total adjustments	of which prior adjustments	Total adjustments	of which prior adjustments
GDP(E)						
Final consumption	0.4	-0.4	0.4	-0.9	-0.3	-1.7
Gross domestic capital formation	-0.8	-0.7	-1.0	-0.6	-2.8	-1.3
Exports of goods and services	0.4	0.9	0.4	1.4	0.5	1.4
Imports of goods and services	-0.5	-0.1	-0.9	-0.1	-0.8	-0.1
Factor cost adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Total	-0.5	-0.3	-1.1	-0.2	-3.4	-1.7
GDP(I)						
Income from employment	0.7	0.7	0.4	0.8	2.1	1.1
Gross profits,and other trading income[2]	-1.1	0.2	-2.3	0.5	-5.1	0.3
Other factor incomes[3]	-0.1	0.0	0.3	0.6	0.7	1.0
Total	-0.5	0.9	-1.6	1.8	-2.3	2.4

(1) (2) (3) See notes to table B

30. Table F below shows the totality of adjustments for the current/capital account transactions and for the financial transactions. Overall, adjustments below the line tend to be greater than those above the line. Although this pattern is generally repeated in the accounts for individual sectors, the above-the-line adjustments (mainly company profits) contribute more in the ICCs sector. The removal of the erratically large balancing items for OFIs in 1987 and for overseas in 1986 are both achieved, mainly, by adjustments to financial transactions.

31. Table G below gives the total adjustment and the prior adjustments for some of the main sectoral components. For the personal sector, by far the largest adjustment is to transactions in securities (about £11 billion in 1987, of which about £3½ billion reflects a prior adjustment). A large adjustment for 1987 is also made to "other domestic transactions" which reflects, mainly, the estimates for life assurance and pension funds, and trade credit, for which information is incomplete. There are modest changes to income from employment, and, as can be seen from Table 8, income from self employment (within gross profits and other trading incomes) and transfers (essentially dividends and interest). For ICCs, the main adjustments are to company profits and securities. There are also significant adjustments to transfers, and, in 1987, capital formation. For OFIs, the adjustment to securities in 1987 is roughly the same as the prior adjustment. For the overseas sector, the main adjustment is to transactions in UK and overseas securities in 1986. Net transfer payments (interest, profits and dividends) are increased.

TABLE F
Adjustments above and below the line[1]

£billion

		1985		1986		1987	
		Total adjustments	of which prior adjustments	Total adjustments	of which prior adjustments	Total adjustments	of which prior adjustments
Personal sector	Above	2.7	1.2	3.4	1.2	5.5	0.8
	Below	-6.4	-1.7	-13.0	-3.0	-16.2	-3.1
Industrial & commercial companies	Above	-3.7	-1.4	-4.8	-1.3	-9.4	-1.8
	Below	1.0	-0.5	-0.2	-0.2	4.8	-0.2
Monetary sector	Above	0.8	-0.4	1.2	-0.2	0.4	-0.1
	Below	0.1	1.6	1.3	2.1	-0.5	0.6
Other financial institutions	Above	0.5	0.9	0.6	0.6	-0.8	0.1
	Below	0.5	-1.6	-0.6	-2.5	8.7	4.8
Public sector	Above	-0.1	0.0	-0.4	0.0	-0.3	0.0
	Below	0.2	0.0	0.9	0.0	0.7	0.0
Overseas sector	Above	-1.3	0.5	-2.7	0.7	-1.2	0.7
	Below	4.5	2.5	11.7	4.8	2.5	-2.9

(1) The adjustment to sector balancing items is equal to the adjustments above the line *less* the adjustments below the line

TABLE G
Main adjustments

£ billion

	1985		1986		1987	
	Total adjustments	of which Prior adjustments	Total adjustments	of which Prior adjustments	Total adjustments	of which Prior adjustments
Personal sector						
Income from employment	0.7	0.7	0.4	0.8	2.1	1.1
Securities and unit trust units	-4.2	-1.7	-10.0	-4.4	-11.1	-3.5
Other domestic transactions	-0.9	1.1	-2.9	1.0	-4.0	1.0
Industrial and commercial companies						
Gross trading profits, etc	-1.4	0.0	-2.8	0.1	-4.7	-0.1
Inter-sector transfers	-1.6	-1.0	-1.3	-1.0	-2.3	-1.2
Gross capital formation	-0.6	-0.4	-0.7	-0.4	-2.4	-0.8
Securities and unit trust units	1.7	0.3	1.9	0.8	4.6	1.0
Monetary sector						
Inter-sector transfers:	2.0	1.3	2.4	1.1	1.8	1.2
Other financial institutions sector						
Notes, bills, etc	-0.3	-0.4	-2.1	-2.2	-0.5	-0.7
Securities and unit trust units	1.1	0.9	0.7	0.6	6.7	6.5
Overseas sector						
Inter-sector transfers	-1.2	-0.3	-2.2	-0.6	-1.0	-0.5
Securities and unit trust units	2.0	0.5	7.7	3.0	0.2	-4.0
Other overseas transactions	0.9	1.4	1.3	1.2	0.3	0.5

32. With two exceptions, all balanced series are within the specified error range. The two exceptions, in 1986 and 1987, are company profits and personal sector securities. In 1987, for example, for company profits, against the 90% error range of ± £3¼ billion, the series is adjusted (excluding the prior adjustment) by around £4½ billion. For securities within the personal sector the adjustment (again excluding the prior adjustment) of about £7½ billion compares with an error range of ±£5 billion. Of course, the methods of specifying error ranges are expected to produce some adjustments which are outside the ranges. They are ranges of probability not certainty. Further, the balancing process has the effect, where inconsistencies arise, of making it more likely that wide error ranges will be breached than narrow ones.

TABLE H
Derived statistics

	1985		1986		1987	
	Blue Book	Balanced	Blue Book	Balanced	Blue Book	Balanced
Growth rates (per cent increase over previous year)						
Income from employment			7.7	7.5	8.0	8.8
Industrial & commercial company profits			-4.4	-6.8	23.2	20.8
Personal sector consumption[1]			10.0	10.0	9.2	9.5
Gross domestic fixed capital formation			5.8	5.9	10.9	13.4
Exports of goods and services			-4.2	-4.2	9.2	9.1
Imports of goods and services			2.4	2.0	10.3	10.5
Other derived statistics						
Personal savings ratio (per cent)	*9.5*	*10.5*	*7.3*	*8.6*	*5.4*	*7.3*
Current balance of payments (£billion)	3.3	4.5	-0.2	2.5	-2.5	-1.5

(1)Consumers' expenditure

33. The accounts for each year have been balanced independently. In spite of this, growth rates of the key components of GDP between 1985 and 1986, and 1986 and 1987, shown below in Table H, generally appear to be within their likely range of accuracy. The Table shows that the personal saving ratio is increased in each year, although the downward trend present in the published accounts over this period is still evident. The overseas current balance is improved in all years, but particularly in 1986 when the balancing item was greatest.

34. The balanced accounts shown in Tables 5 to 7 are based on a single set of assumptions about GDP, prior adjustments and error ranges. Assumptions about the last two are, as has been said, subjective, and there are reasons why GDP(A) might itself be revised. We have, therefore, explored the sensitivity of the system to some alternative assumptions about (a) the level of GDP to which balancing is constrained, (b) error ranges, and (c) prior adjustments. This part of the exercise has been restricted to 1987. The results for all these analyses are presented in Table 9, which shows the differences in the balanced estimates, as between the Table 7A results and the particular variant, by sector, for the main series affected in the matrix. Unless otherwise stated, the prior adjustments and error ranges are as given in Tables 4B and 4C.

(a) Varying the assumptions about GDP

35. For variant 1, the level of GDP has not been constrained, but is freely estimated in the balancing process. The unconstrained version balances with GDP little different from GDP(A) - around £¾ billion (0.2 per cent) higher. There is also very little difference in the main component series as between the constrained and unconstrained approaches, with the financial accounts virtually unchanged.

36. Variant 2 balances to a level of GDP(A) above that used in Table 7A. The rationale underlying this is that, historically, initial estimates of levels of GDP have been revised upwards, and that the estimates of expenditure and income have tended to move closer together. As a simple assumption, the 1987 figures were balanced to the level of GDP(I) in that year, that is about £2¼ billion above GDP(A), and necessitating GDP(E) to be raised by £5¾ billion above its Blue Book level.

37. Compared with the GDP(A) constrained balancing of Table 7A, the 'additional' income and expenditure is well spread over the main components. In particular, final consumption and income from employment were both further increased by about £1 billion, while the reduction in company profits is some £¾ billion less than the constrained adjustment. Not surprisingly, the effect is negligible below the line.

(b) Varying the assumptions about error ranges

38. There are numerous ways in which the sensitivity of changing assumptions about error ranges can be tested. This section first considers three variants in which the error ranges of a selected number of series have been increased by 50 per cent. The series chosen were those for which error ranges were thought to be the most uncertain. The figures have been balanced to GDP(A). The variants are:

Variant 3: above the line increases (of 50 per cent) to error ranges for personal sector consumption; for gross capital formation and stocks of the personal and ICC sectors, and for exports and imports of goods and services.

Variant 4: below the line increases (of 50 per cent) to error ranges for "other domestic transactions" of the personal and ICC sectors, "other overseas transactions" of all sectors, and the "securities" figure for the OFI sector

Variant 5: the combined effect of variants 3 and 4.

39. It can be seen from Table 9 that the broad impact of these adjustments for all the variants is, with few exceptions, comparatively small. For each of the three variants, compared with the Table 7A estimates, income from employment is reduced by around £½ billion, offsetting the smaller, negative adjustment to profits. In variants 3 and 5, where some of the above line errors are increased, consumption tends to be adjusted downwards, offset by adjustments to gross domestic capital formation and net exports. In all three variants, below the line, there are smaller adjustments for personal sector securities.

40. In Table 7A, the adjustments (excluding prior adjustments) to company profits and personal sector securities were about 50 per cent outside the limits of the error range. Variant 6 examined the effect on the other variables of constraining the adjustment to these two series to the size of the error range.

41. With company profits £1½ billion higher than in the Table 7A run, income from employment and monetary and OFI sector profits are both lower. Gross domestic capital formation and the net balance for exports of goods and services both have positive adjustments, offsetting the negative change for personal consumption of around £1 billion. Below the line, compared with Table 7A, there are smaller adjustments to transactions in securities by the overseas and ICCs sectors. Other changes for these sectors and for the personal sector are mainly evident for 'other domestic transactions'.

42. The constraints imposed on company profits and personal sector securities pushed the adjustments for two series - personal sector and overseas sector "other domestic transactions" - outside their error ranges. A further run (not shown in table 9) was undertaken in which adjustments for these two series were forced to the size of their range. This pushed ICCs gross domestic capital formation outside its range. However, in a third run (again not shown) in which this series was constrained, all adjusted series were within their error range.

(c) Varying the assumptions about the prior adjustments

43. Again, there are many ways in which the effects of the prior adjustments can be tested. The article considers only one variant. Doubts were expressed earlier about the prior adjustments included in the balancing because they increased rather than reduced the size of the residual error. There are also uncertainties about the extent to which the adjustments reflect genuine bias rather than asymmetric error distributions. In variant 7, balancing has been undertaken without any prior adjustments to the data of Table 1.

44. In the absence of prior adjustments, error ranges have been widened for those series where prior adjustments had been postulated. The accounts have been balanced again constraining GDP to GDP(A). The magnitude of the prior adjustments needs to be borne in mind when comparing with the Table 7A analysis. The negative adjustment to company profits is reduced by about £1 billion, the main offsetting change coming from income from self-employment. Consumption is £1½ billion lower compared with Table 7A, but exports are up by £1¾ billion. For the financial transactions, the main changes are again within "securities", where the prior adjustments were greatest. The difference for securities for the personal sector is comparatively small, the main change occurring in the overseas sector. The large adjustment evident in Table 7A for OFIs is reduced a little. There are a number of other changes of the order of £½ - 1½ billion in securities (ICCs) and also in other domestic and other overseas transactions, for various sectors. Further work is required before any conclusion can be reached as to whether it is adequate to balance without prior adjustments.

Summary of results

45. The main feature of the results is the size and consistency over different variants of the adjustment made to two series - company profits and personal sector securities - and the fact that, in both cases, the adjustments are well outside the postulated error ranges. There are no obvious reasons why company profits might be overstated, past revisions to company profits have tended to be upwards. Secondly, for personal transactions in securities, the effect of the large negative adjustment implies a very large reduction over the years in question in the sector's holdings of UK company securities at a time when the number of individuals owning shares has increased.

46. The analyses have suggested some other possible conclusions, although further work is required before they may be regarded as definitive:

(i) growth rates for most of the main series in the balanced accounts do not appear to be significantly changed from growth rates shown in the published figures:

(ii) when GDP is freely estimated in the balancing process, the level which emerges is not much different from the appropriate GDP(A);

(iii) in general, financial transactions appear to be adjusted more than current/capital transactions, although this varies by sector;

(iv) the results are sensitive to modifications in the input data, although the differences generally appear to be within the original error ranges of the series.

Assessment

47. The first and main conclusion to be drawn from the work that has been carried out so far is that it is still too soon to assess its value fully. This is not a surprising conclusion. The system of national accounts has been developing over the last 40 years or so, and its methods and procedures are constantly under review. It would have been hard to believe that six months' work of this kind could provide many answers to the problems that currently exist in the accounts. This is not to say that the exercise has not been of value. On the contrary, the CSO has decided that there are sufficient encouraging aspects of the work for the experiment to be continued.

48. So, what has been achieved? When the CSO set out on the task last September it intended to examine the use of producing balanced accounts (a) to aid interpretation of what was going on in the UK economy, and (b) to see if it led to the identification of particular weaknesses.

49. From the outset, in the six months available, there was no expectation that the work would lead the CSO to a position where it could produce accounts on a regular basis that were "better" than the accounts as now published. This may be a worthy longer term aim, but it is still too soon to think in these terms. But, less ambitiously, has it helped in interpretation? The work has generated a number of accounts each of which is balanced, and each of which represents a possible alternative interpretation of what has happened in the period 1985 to 1987. However, each interpretation remains surrounded with considerable uncertainty. The inputs (error ranges and prior adjustments) are inevitably subjective, and the model is sensitive to variations in these assumptions. It would therefore be unwise to draw firm conclusions about the behaviour of the UK economy from the sets of balanced accounts produced so far. Even when balancing has been achieved, the adjusted data still have error ranges associated with them, although the balancing methodology means that these ranges will be no wider than those relating to the basic series. Balancing should lead to improved estimates, overall, but inevitably some individual series could be moved further from the "truth" than the original estimates.

50. The work has shown that, to achieve balanced accounts over the period 1985 to 1987, company profits and personal sector transactions in securities are the series that are adjusted most. This is, in part, a reflection of the error ranges included for these series relative to those for others, but it is also, in part, a consequence of the structure of the balancing items and residual error in the accounts. There are, for example, in all three years, three downward "pressures" on company profits in the balancing process. GDP(I) is higher than GDP(E). The ICC sector has a positive balancing item. Less directly, because the personal sector has a negative balancing item, there is, amongst other things, upward "pressure" on personal sector incomes, which will have downward "pressure" on income in other sectors, including the ICC sector. Alternatively the size of the adjustments to these two components could reflect the possibility that the error ranges attached to them have been overstated relative to the other error ranges in the matrix. Future work will need to look more closely at these "pressures", and how they interact with the pattern of error ranges.

51. How has this experiment helped to identify areas of particular weakness? It is clear that the reassessment of the error ranges and the estimation of prior adjustments has been useful in itself. The fact that all compilers have reconsidered the reliability of their figures at the same time and within the same framework has been especially rewarding.

52. The work, both in preparing the input data and balancing the accounts, has, so far, tended to confirm the CSO's views of where the accounts are weak. In particular, the large adjustments to transactions in securities, and compilers' estimates of error ranges and prior adjustments for this series, support existing plans to improve the information system on securities dealers, and the CSO's current investigation into the need for, and feasibility of, a share register survey to provide information on the holdings of securities by each sector. The large adjustments to transactions of companies (particularly profits) reflect the difficulties in collecting information for this sector. Although the work has not developed sufficiently to make the CSO reassess how its resources might be allocated to research work aimed at improving the quality

of accounts, it is quite possible that as the work is refined it will begin to influence this assessment.

53. Where does the work go from here? For a time, at least, the balanced accounts exercise will continue as an experiment, largely independent of other work being carried out to improve the quality of the national and financial accounts. There are the recommendations of the scrutiny report on government economic statistics to absorb. In addition to the more major initiatives to improve the statistics, such as securities dealers surveys and a possible share register survey, there are many other projects being carried out in the CSO and in other departments. One example of these is an internal review of balance of payments statistics, described in the February edition of *Statistical News*.

54. Over the next few months, the CSO will be giving consideration to a number of ways in which the work on balanced accounts might be developed and improved. Amongst these are:

(a) further examination of error ranges and prior adjustments, and their consistency across the accounts;

(b) further sensitivity tests, using different estimates of error ranges for the more uncertain series;

(c) the introduction of covariance terms in the error matrix;

(d) better representation of GDP(O) in the constraints;

(e) further investigation of the effects of balancing on derived statistics (possibly looking at the impact on certain balance sheet items such as UK net external assets); and

(f) an appraisal of the appropriateness of this approach to balancing. (For example, is it too mechanical?).

55. Finally, the CSO intends to begin work on 1988 as soon as data for the whole of the year become available. This will take some time to complete as the balancing exercise relies upon the co-operation of many statisticians throughout government and the Bank of England who have their own departmental priorities. However, the CSO intends to update the current exercise with results for 1988 and aims to publish a further article that will, in addition, address some of the issues raised above.

56. The press notice on the 1988 Blue Book, which announced the balanced accounts project, referred to the work as being "a contribution to the debate on the quality of economic statistics". Preliminary results have been published within six months of the announcement of the work, with the aim of encouraging others to comment on the approach, and more generally on the quality of the accounts and how they might be improved. Comments will therefore be welcomed, and will be taken into account, along with views within Government, when considering the future of the work on balanced accounts.

ANNEX
Balanced accounts - methodology

The approach being used is basically that first introduced by Stone, Champernowne and Meade (1942), which uses a constrained least squares method to find the set of balanced accounts which is in some sense closest to the originally published accounts. A more recent source, including some extensions of the original method, is Byron (1978). Application of this method requires a matrix of variances and covariances for the measurement errors of all the entries in the account. Given that this matrix is correct, the balanced figures can be shown to be minimum variance unbiased linear estimates of the true figures; if the errors follow a normal distribution the balanced figures are also maximum likelihood estimates.

In simple terms, the objective of the method can be described as follows. For each entry in the account, the distance between the published and balanced values is measured by the square of their difference. To allow for the different reliabilities of different entries, each distance is weighted by dividing it by the variance (which is the square of the standard deviation) of the measurement error of the entry concerned. If some entries have correlated errors, additional distances are calculated by taking the cross-products of the differences of correlated terms and weighting them in a way which depends upon the variances and covariances. The sum of all these distances (weighted squares and cross-products) is a measure of the distance of the balanced account from the published account. The objective is to find the balanced account for which this distance is a minimum. The minimisation can be carried out algebraically, leading to an equation which gives an explicit expression for the balanced account. To avoid too much complexity in the statement of the results, matrix notation is used throughout.

If x is the vector of original estimates of all the entries in the account, V is the variance-covariance matrix for x and A is the matrix of coefficients for the balancing constraints, we require a vector x^* of figures satisfying the balance equation:

$$A x^* = 0$$

and minimising the quadratic distance function:

$$D = (x^* - x)'V^{-1}(x^* - x).$$

It can be shown that the solution is:

$$x^* = x - VA'(AVA')^{-1} Ax.$$

Given the matrices A and V this is not a complex calculation, though the matrices are large enough to require access to a machine with several megabytes of available memory - in balancing a single year of data at the level of detail of Table A in the Blue Book the variance matrix V is about 250 x 250 and the constraint matrix A is about 50 x 250. A similar calculation gives the variance matrix V^* of the balanced estimates:

$$V^* = V - VA'(AVA')^{-1}AV.$$

The form of this equation shows that the balanced estimates will always have variances no larger (and usually smaller) than those of the original estimates.

To apply this method it is necessary to obtain an estimate of the matrix V. This is based on the judgements of the compilers of the various series. To fill in the diagonal of V, compilers were asked to give what they considered to be a 90% confidence interval for the true value of each entry in the account. The interval was not required to be symmetric about the published value. The mid-point of the interval was regarded as a prior-adjusted estimate. The half-width of the interval was used as a proxy for the standard deviation (note that the solution is unchanged if V is multiplied by a constant throughout, so it is not necessary to convert the intervals to standard deviations). In the text, for ease of reference, prior adjustments and symmetric error ranges are shown separately. To obtain the off-diagonal terms, contributors were invited to supply correlation coefficients between the measurement errors, which were then converted to covariances using the separate estimates of the diagonal terms. In practice, no significant correlations were identified by contributors, so the V matrix was diagonal for each of the cases considered.

In the equation for x^*, the final term Ax is the vector of discrepancies or balancing items; in the context of Blue Book Table A this includes balancing items for all the rows which sum to zero as well as the sector (column) balancing items. It can be seen, therefore, that x is adjusted to x^* by spreading each non-zero balancing item over the whole account in proportions determined by the variance matrix V and the balancing constraints. Given the complexity of the system of balancing constraints it is difficult to make general statements about the adjustments to individual cells with bigger variances; however, since different balancing items may produce adjustments in opposite directions it is not necessarily true that cells with large error ranges will be adjusted by large amounts.

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Sign conventions

The signs used throughout this article follow the convention used in Table 1; income items are treated as positive, expenditure items as negative. As such, for GDP(E), an increase in the adjustment for a component will be shown with a negative sign, and conversely.For example, in Table E, for final consumption, for 1985, the total adjustment reduces the level by £0.4 billion, while the prior adjustment had increased it by £0.4 billion. The effect of this convention is that current and capital transactions as shown in the tables add directly to the financial surplus /deficit. The convention for financial transactions is the usual one, that net acquisition of assets or net disposal of liabilities is shown as positive. For each section, the balancing item equals the financial surplus *less* net financial transactions.

*as in United Kingdom National Accounts, 1988

TABLE 1
Summary analysis by sector, 1987

£ million

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public corporations	Central government	Local authorities	Overseas sector	TOTAL
CURRENT TRANSACTIONS									
Factor incomes:	D								A
Income from employment	226 343	-	-		-	-	-	-	226 343
Income from self-employment	32 959	-	-		-	-	-	-	32 959
Gross trading profits, etc	-	68 991	-3 395		6 623	-552	375	-	72 042
Rent	17 984	2 742	373		537	174	2 988	-	24 798
Imputed charge for capital consumption	503	-	-		-	1 197	1 535	-	3 235
less stock appreciation	-474	-4 297	-		-87	-	-	-	-4 858
Inter-sector transfers:								C	
Corporate income from abroad	-	11 455	6 534		51	-	-	-18 040	-
Profits due abroad	-	-5 461	-48		-	-	-	5 509	-
Dividends and interest: receipts	37 592	5 249	39 239		942	8 515	1 046	37 057	
payments	-25 328	-22 545	-27 241		-3 108	-16 991	-4 378	-30 049	-
Taxes on income	-40 428[1]	-13 437	-1 659		-77	55 601	-	-	-
Social security contributions	-28 449	-	-		-	28 449	-	-	-
Social security benefits	41 826	-	-		-	-42 250	-	424	-
Other current grants by government: receipts	10 652	-	-		-	2 271	23 297	5 134	-
payments	-	-	-		-	-34 464	-4 619	-2 271	-
Other current transfers : receipts	1 751	-	-		-	317	-	1 782	
payments	-2 099	-152	-33		-	-	-	-1 566	-
Royalties and licence fees on oil and gas production	-	-1 151	-		-	1 151	-	-	-
Factor cost adjustment:									B
Taxes on expenditure	-	-	-		-	51 332	16 648	-	67 980
Subsidies	-	-	-		-	-4 944	-818	-	-5 762
Expenditure:	E								
Consumption	-258 431	-	-		-	-51 689	-34 083	-	-344 203
Exports of goods and services	-	-	-		-	-	-	-107 506	-107 506
Imports of goods and services	-	-	-		-	-	-	112 030	112 030
Balance = Saving[2]	14 401	41 394	13 770		4 881	-1 883	1 991	2 504	77 058
CAPITAL TRANSACTIONS									
Gross domestic fixed capital formation	-20 473	-30 773	-1 313	-6 692	-4 605	-3 314	-3 597	-	-70 767
Value of physical increase in stocks and work in progress[3]	-274	-1 187	-	-	222	612	-	-	-627
Taxes on capital	-2 296	-783	-26	-256	-	3 361	-	-	-
Other capital transfers : receipts	2 033	512	-	-	787	-	958	-	
payments	-65	-92	-	-	-125	-3 434	-574	-	-
Balance = Financial surplus or deficit	-6 674	9 071	4 431	1 052	1 160	-4 658	-1 222	2 504	5 664
FINANCIAL TRANSACTIONS	G				F				
Notes and coin	465	383	232	-	18	-1 089	-	-9	-
Treasury bills and government securities	2 679	166	-419	-820	29	-6 830	4	5 191	-
National savings and tax instruments	2 358	-286	99	-396	112	-1 888	1	-	-
Issue Department's transactions in commercial bills	-	2 813	961	898	-	-5 735	-	1 063	-
Other government domestic transactions	-2	-68	276	-543	111	-341	548	19	-
Government overseas transactions	-	-	-281	712	-	12 242	-	-12 673	-
Local authority debt	-1 059	-84	-513	-76	-146	5 212	-3 431	97	-
Public corporations' debt	-32	-	-109	40	774	-443	50	-280	-
Deposits with monetary sector:									
Sterling sight	7 157	4 756	-19 467	4 420	85	-126	548	2 627	-
Sterling time	1 049	5 339	-25 030	11 127	293	-14	1 272	5 964	-
Foreign currency	151	-412	-51 243	7 075	88	74	-3	44 270	-
Deposits with other institutions	13 626	83	407	-15 007	-	-	-	911	-
Bank lending (excluding public sector)	-8 246	-15 587	91 945	-16 879	-	-	-	-51 233	-
Other lending	-30 317	-849	10 041	21 378	32	-28	-404	147	-
Trade and retail credit	-406	748	-	-20	-77	-1	-	-244	-
UK and overseas securities and unit trust units	5 475	-10 168	-1 494	428	-140	-5 929	251	11 577	-
Other domestic transactions	20 019	-4 997	338	-18 772	217	-885	-168	4 248	-
Other overseas transactions	8	12 906	-311	230	7	-126	-	-12 714	-
Accruals adjustments	2 060	200	-61	-2 315	-234	508	-158	-	-
Total financial transactions	14 985	-5 077	5 371	-8 520	1 169	-5 399	-1 490	-1 039	-
BALANCING ITEM	-21 659	14 148	-940	9 572	-9	741	268	3 543	5 664

1 Excluding tax credits.
2 After providing for stock appreciation but before providing for additions to dividends, interest and tax reserves.
3 A positive figure indicates a decrease in stocks.

TABLE 2A
Published data, 1985[1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes							
Income from employment	194.6	0.0	0.0		0.0	0.0	194.6
Gross profits and other trading income	28.3	58.5	-5.0		7.3	0.0	89.1
Other factor incomes *less* stock appreciation	15.4	0.0	0.3		5.9	0.0	21.6
Inter-sector transfers	-1.0	-27.5	13.4		14.8	0.2	0.0
Factor cost adjustment	0.0	0.0	0.0		49.5	0.0	49.5
Final consumption	-215.3	0.0	0.0		-74.0	0.0	-289.3
Exports of goods and services	0.0	0.0	0.0		0.0	-102.8	-102.8
Imports of goods and services	0.0	0.0	0.0		0.0	99.2	99.2
Balance = Saving	22.0	31.0	4.1	4.5	3.5	-3.4	62.0
Capital transactions							
Gross capital formation	-15.4	-24.9	-0.9	-7.0	-12.7	0.0	-60.9
Taxes on capital etc	0.4	0.1	0.0	-0.1	-0.4	0.0	0.0
Balance = Financial surplus or deficit	7.1	6.2	3.3	-2.6	-9.6	-3.4	1.1
Financial transactions							
Notes, bills, etc (matrix rows 6-20 [2])	3.9	-0.5	-2.0	4.9	-8.1	1.8	0.0
Deposits with monetary sector (row 21)	5.1	4.4	-47.2	7.5	0.7	29.5	0.0
Deposits with other institutions (22-23)	13.3	0.5	0.0	-13.8	0.0	0.0	0.0
Bank lending (24)	-6.5	-7.0	40.8	-4.9	0.0	-22.4	0.0
Other lending (27-29)	-19.7	-0.5	4.2	16.2	-0.1	-0.1	0.0
Securities and unit trust units (30-32)	-0.3	1.0	8.0	11.5	-2.4	-17.9	0.0
Other domestic transactions (25,26,33,34,36,38)	20.3	-2.1	-0.5	-21.2	0.0	3.5	0.0
Other overseas transactions (35,37)	0.0	5.6	0.5	-2.8	0.1	-3.4	0.0
Total financial transactions	16.2	1.4	4.0	-2.6	-9.9	-9.1	0.0
Balancing item	-9.1	4.8	-0.7	0.0	0.4	5.7	1.1
Gross domestic product (income-based)	305.3						
Gross domestic product (expenditure-based, at current factor cost)	-304.2						
Savings ratio (per cent)	*9.5*						

(1) See note on sign convention on Appendix contents page.

(2) Refers to the standard financial accounts matrix shown in *Financial Statistics*.

TABLE 28
Input data, 1985: prior adjustments[1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes:							
Income from employment	0.7	0.0	0.0		0.0	0.0	0.7
Gross profits and other trading income	0.8	0.0	-0.7		0.0	0.0	0.2
Other factor incomes *less* stock appreciation	0.0	0.0	0.0		0.0	0.0	0.0
Inter-sector transfers[2]	0.1	-1.0	1.3		0.0	-0.3	0.2
Factor cost adjustment	0.0	0.0	0.0		0.0	0.0	0.0
Final consumption	-0.4	0.0	0.0		0.0	0.0	-0.4
Exports of goods and services	0.0	0.0	0.0		0.0	0.9	0.9
Imports of goods and services	0.0	0.0	0.0		0.0	-0.1	-0.1
Balance = Saving	1.2	-1.0	-0.4	1.1	0.0	0.5	1.5
Capital transactions							
Gross capital formation	-0.1	-0.4	0.0	-0.2	0.0	0.0	-0.7
Taxes on capital etc[2]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance = Financial surplus or deficit	1.2	-1.4	-0.4	0.9	0.0	0.5	0.8
Financial transactions[2]							
Notes, bills, etc.	-0.9	0.2	0.0	-0.4	0.0	1.0	0.0
Deposits with monetary sector	0.0	-0.1	0.1	-0.1	0.0	0.2	0.2
Deposits with other institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank lending	-0.6	-0.7	1.5	0.0	0.0	-0.2	0.0
Other lending	-0.1	0.0	-0.1	0.1	0.0	0.0	-0.1
Securities and unit trust units	-1.7	0.3	0.0	0.9	0.0	0.5	0.0
Other domestic transactions	1.1	-0.3	0.0	-1.3	0.0	-0.4	-0.8
Other overseas transactions	0.5	0.0	0.0	-0.9	0.0	1.4	1.0
Total financial transactions	-1.7	-0.5	1.6	-1.6	0.0	2.5	0.2
Balancing item	2.9	-0.9	-1.9	2.6	0.0	-2.0	0.6
Gross domestic product (income-based)	0.9						
Gross domestic product (expenditure-based, at current factor cost)	-0.3						

(1) See note on sign convention on Appendix contents page.

(2) Because it was not possible to determine the counterpart sector for every adjustment, the rows for transfers and financial transactions do not always add to zero.

TABLE 2C
Input data, 1985: error ranges [1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes:							
Income from employment	2.8	0.0		0.0	0.0	0.0	2.8
Gross profits and other trading income	0.9	2.2		2.0	0.0	0.0	3.1
Other factor incomes *less* stock appreciation	0.8	0.4		0.1	0.3	0.0	1.0
Inter-sector transfers	2.2	2.2		2.7	0.0	3.1	
Factor cost adjustment	0.0	0.0		0.0	0.0	0.0	0.0
Final consumption	2.4	0.0		0.0	0.3	0.0	2.4
Exports of goods and services	0.0	0.0		0.0	0.0	1.6	1.6
Imports of goods and services	0.0	0.0		0.0	0.0	1.5	1.5
Balance = Saving	4.4	3.2	2.8	1.9	0.5	3.8	7.4
Capital transactions							
Gross capital formation	0.6	1.2	0.1	0.4	0.3	0.0	1.5
Taxes on capital etc	0.1	0.0	0.0	0.0	0.0	0.0	
Balance = Financial surplus or deficit	4.4	3.4	2.8	1.9	0.5	3.8	7.6
Financial transactions							
Notes,bills,etc	0.9	0.7	0.0	0.7	0.0	0.3	
Deposits with monetary sector	0.3	0.3	0.5	0.4	0.1	0.5	
Deposits with other institutions	0.1	0.1	0.0	0.1	0.0	0.1	
Bank lending	0.4	0.8	1.0	0.5	0.0	1.0	
Other lending	0.5	0.1	0.2	0.5	0.0	0.0	
Securities and unit trust units	4.0	3.0	1.0	1.0	0.0	3.0	
Other domestic transactions	3.5	2.0	0.4	3.0	1.1	3.0	
Other overseas transactions	0.5	2.0	0.0	1.3	0.0	2.8	
Total financial transactions	5.5	4.3	1.6	3.6	1.1	5.2	

(1) Defined as half the difference between the upper and lower limits of the 90% probability range (see article). Aggregate error ranges have been derived assuming independence of components.

TABLE 3A
Input data, 1986: published data [1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes:							
Income from employment	209.5	0.0	0.0		0.0	0.0	209.5
Gross profits and other trading income	30.5	56.0	-4.6		8.1	0.0	90.0
Other factor incomes *less* stock appreciation	17.0	0.8	0.3		6.2	0.0	24.3
Inter-sector transfers	-1.8	-24.6	16.7		12.6	-2.9	0.0
Factor cost adjustment	0.0	0.0	0.0		56.6	0.0	56.6
Final consumption	-236.8	0.0	0.0		-79.7	0.0	-316.4
Exports of goods and services	0.0	0.0	0.0		0.0	-98.5	-98.5
Imports of goods and services	0.0	0.0	0.0		0.0	101.6	101.6
Balance = Saving	18.5	32.2	5.0	7.4	3.8	0.2	67.1
Capital transactions							
Gross capital formation	-18.2	-26.8	-1.0	-6.3	-12.1	0.0	-64.4
Taxes on capital etc	0.0	0.0	0.0	-0.2	0.3	0.0	0.0
Balance = Financial surplus or deficit	0.2	5.4	4.0	0.9	-8.0	0.2	2.7
Financial transactions							
Notes, bills, etc	4.6	-1.0	-0.9	1.7	-4.9	0.5	0.0
Deposits with monetary sector	8.5	11.2	-96.0	10.2	2.4	63.7	0.0
Deposits with other institutions	11.8	0.5	0.4	-13.3	0.0	0.5	0.0
Bank lending	-5.1	-8.8	83.2	-15.7	0.0	-53.7	0.0
Other lending	-27.4	-0.4	4.7	23.4	0.2	-0.4	0.0
Securities and unit trust units	2.5	-1.3	11.7	16.3	-3.8	-25.3	0.0
Other domestic transactions	21.8	-2.0	0.0	-19.8	-3.1	3.2	0.0
Other overseas transactions	0.0	2.7	0.9	-0.7	-0.1	-2.7	0.0
Total financial transactions	16.6	0.8	3.9	2.1	-9.2	-14.2	0.0
Balancing item	-16.4	4.6	0.1	-1.2	1.2	14.4	2.7
Gross domestic product (income-based)	323.8						
Gross domestic product (expenditure-based, at current factor cost)	-321.1						
Savings ratio (per cent)	*7.3*						

(1) See note on sign convention on Appendix contents page.

TABLE 3B
Input data, 1986: prior adjustments [1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes							
Income from employment	0.8	0.0	0.0		0.0	0.0	0.8
Gross profits and other trading income	1.0	0.1	-0.6		0.0	0.0	0.5
Other factor incomes *less* stock appreciation	0.4	0.1	0.0		0.0	0.0	0.6
Inter-sector transfers[2]	0.0	-1.0	1.1		0.0	-0.6	-0.5
Factor cost adjustment	0.0	0.0	0.0		0.0	0.0	0.0
Final consumption	-0.8	0.0	0.0		0.0	0.0	-0.9
Exports of goods and services	0.0	0.0	0.0		0.0	1.4	1.4
Imports of goods and services	0.0	0.0	0.0		0.0	-0.1	-0.1
Balance = Saving	1.3	-0.8	-0.2	0.7	0.0	0.7	1.7
Capital transactions							
Gross capital formation	-0.1	-0.4	0.0	-0.2	0.0	0.0	-0.6
Taxes on capital etc[2]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance = Financial surplus or deficit	1.2	-1.3	-0.2	0.6	0.0	0.7	1.0
Financial transactions [2]							
Notes, bills, etc.	0.8	0.0	-0.1	-2.2	0.0	1.4	-0.1
Deposits with monetary sector	0.0	-0.1	0.5	0.5	0.0	-0.4	0.5
Deposits with other institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank lending	-0.8	-0.7	1.7	0.0	0.0	-0.2	0.0
Other lending	-0.1	-0.2	0.0	0.2	0.0	0.0	0.0
Securities and unit trust units	-4.4	0.8	0.0	0.6	0.0	3.0	0.0
Other domestic transactions	1.0	0.0	0.0	-1.3	0.0	-0.2	-0.5
Other overseas transactions	0.5	0.0	0.0	-0.4	0.0	1.2	1.3
Total financial transactions	-3.0	-0.2	2.1	-2.5	0.0	4.8	1.2
Balancing item	4.3	-1.1	-2.3	3.1	0.0	-4.1	-0.1
Gross domestic product (income-based)	1.8						
Gross domestic product (expenditure-based, at current factor cost)	-0.2						

(1) See note on sign convention on Appendix contents page.

(2)Because it was not possible to determine the counterpart sector for every adjustment, the rows for transfers and financial transactions do not always add to zero.

TABLE 3C
Input data, 1986: error ranges [1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes							
Income from employment	2.9	0.0		0.0	0.0	0.0	2.9
Gross profits and other trading income	1.0	2.7		2.0	0.1	0.0	3.5
Other factor incomes *less* stock appreciation	1.1	0.5		0.1	0.3	0.0	1.2
Inter-sector transfers	2.2	2.2		3.3	0.0	3.5	
Factor cost adjustment	0.0	0.0		0.0	0.1	0.0	0.1
Final consumption	3.0	0.0		0.0	0.3	0.0	3.0
Exports of goods and services	0.0	0.0		0.0	0.0	1.5	1.5
Imports of goods and services	0.0	0.0		0.0	0.0	1.4	1.4
Balance = Saving	4.9	3.5	2.8	2.6	0.5	4.0	8.2
Capital transactions							
Gross capital formation	0.6	1.2	0.1	0.4	0.3	0.0	1.5
Taxes on capital etc	0.1	0.0	0.0	0.0	0.0	0.0	
Balance = Financial surplus or deficit	5.0	3.7	2.8	2.7	0.6	4.0	8.4
Financial transactions							
Notes, bills, etc	0.9	0.7	0.1	0.7	0.0	0.4	
Deposits with monetary sector	0.3	0.6	0.9	0.7	0.1	0.9	
Deposits with other institutions	0.1	0.1	0.0	0.1	0.0	0.1	
Bank lending	0.4	0.8	1.0	0.8	0.0	1.0	
Other lending	0.5	0.1	0.1	0.5	0.0	0.0	
Securities and unit trust units	4.5	3.5	1.0	1.0	0.0	4.0	
Other domestic transactions	3.8	2.3	0.4	3.2	1.1	3.1	
Other overseas transactions	0.5	2.0	0.0	1.5	0.0	2.8	
Total financial transactions	6.0	4.8	1.7	3.9	1.1	6.0	

1) Defined as half the difference between the upper and lower limits of the 90% probability range (see article). Aggregate error ranges have been derived assuming independence of components.

TABLE 4A
Input data, 1987: published data [1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes							
Income from employment	226.3	0.0	0.0		0.0	0.0	226.3
Gross profits and other trading income	33.0	69.0	-3.4		6.4	0.0	105.0
Other factor incomes *less* stock appreciation	18.0	-1.6	0.4		6.3	0.0	23.1
Inter-sector transfers	-4.5	-26.0	16.8		15.8	-2.0	0.0
Factor cost adjustment	0.0	0.0	0.0		62.2	0.0	62.2
Final consumption	-258.4	0.0	0.0		-85.8	0.0	-344.2
Exports of goods and services	0.0	0.0	0.0		0.0	-107.5	-107.5
Imports of goods and services	0.0	0.0	0.0		0.0	112.0	112.0
Balance = Saving	14.4	41.4	5.8	8.0	5.0	2.5	77.1
Capital transactions							
Gross capital formation	-20.7	-32.0	-1.3	-6.7	-10.7	0.0	-71.4
Taxes on capital etc	-0.3	-0.4	0.0	-0.3	1.0	0.0	0.0
Balance = Financial surplus or deficit	-6.7	9.1	4.4	1.1	-4.7	2.5	5.7
Financial transactions							
Notes, bills, etc	4.4	2.9	0.2	-0.2	-0.8	-6.6	0.0
Deposits with monetary sector	8.4	9.7	-95.7	22.6	2.2	52.9	0.0
Deposits with other institutions	13.6	0.1	0.4	-15.0	0.0	0.9	0.0
Bank lending	-8.2	-15.6	91.9	-16.9	0.0	-51.2	0.0
Other lending	-30.3	-0.8	10.0	21.4	-0.4	0.1	0.0
Securities and unit trust units	5.5	-10.2	-1.5	0.4	-5.8	11.6	0.0
Other domestic transactions	21.7	-4.0	0.3	-21.1	-0.8	4.0	0.0
Other overseas transactions	0.0	12.9	-0.3	0.2	-0.1	-12.7	0.0
Total financial transactions	15.0	-5.1	5.4	-8.5	-5.7	-1.0	0.0
Balancing item	-21.7	14.1	-0.9	9.6	1.0	3.5	5.7
Gross domestic product (income-based)	354.5						
Gross domestic product (expenditure-based, at current factor cost)	-348.9						
Savings ratio (per cent)	*5.4*						

(1) See note on sign convention on Appendix contents page.

TABLE 4B
Input data, 1987: prior adjustments[1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes							
Income from employment	1.1	0.0		0.0	0.0	0.0	1.1
Gross profits and other trading income	1.4	-0.1		-1.0	0.0	0.0	0.3
Other factor incomes *less* stock appreciation	0.7	0.3		0.0	0.0	0.0	1.0
Inter-sector transfers [2]	-0.2	-1.2		1.2	0.0	-0.5	-0.8
Factor cost adjustment	0.0	0.0		0.0	0.0	0.0	0.0
Final consumption	-1.7	0.0		0.0	0.0	0.0	-1.7
Exports of goods and services	0.0	0.0		0.0	0.0	1.4	1.4
Imports of goods and services	0.0	0.0		0.0	0.0	-0.1	-0.1
Balance = Saving	1.1	-1.0	-0.1	0.3	0.0	0.7	1.2
Capital transactions							
Gross capital formation	-0.3	-0.8	0.0	-0.3	0.1	0.0	-1.3
Taxes on capital etc[2]	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Balance = Financial surplus or deficit	0.8	-1.8	-0.1	0.1	0.0	0.7	-0.2
Financial transactions [2]							
Notes, bills, etc.	0.2	0.1	-0.3	-0.7	0.0	0.7	0.0
Deposits with monetary sector	0.0	-0.2	-1.0	1.2	0.0	0.3	0.3
Deposits with other institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank lending	-1.1	-0.7	1.9	0.0	0.0	-0.1	0.0
Other lending	-0.2	-0.4	0.0	0.2	0.0	0.0	-0.4
Securities and unit trust units	-3.5	1.0	0.0	6.5	0.0	-4.0	0.0
Other domestic transactions	1.0	0.0	0.0	-1.6	0.0	-0.3	-0.9
Other overseas transactions	0.5	0.0	0.0	-0.8	0.0	0.5	0.2
Total financial transactions	-3.1	-0.2	0.6	4.8	0.0	-2.9	-0.8
Balancing item	3.9	-1.6	-0.7	-4.7	0.0	3.7	0.6
Gross domestic product (income-based)	2.4						
Gross domestic product (expenditure-based, at current factor cost)	-1.7						

(1) See note on sign convention on Appendix contents page.

(2) Because it was not possible to determine the counterpart sector for every adjustment, the rows for transfers and financial transactions do not always add to zero.

TABLE 4C
Input data, 1987: error ranges [1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes							
Income from employment	3.7	0.0		0.0	0.0	0.0	3.7
Gross profits and other trading income	1.4	3.2		2.8	0.3	0.0	4.5
Other factor incomes *less* stock appreciation	1.3	0.8		0.1	0.3	0.0	1.6
Inter-sector transfers	2.3	2.7		4.2	0.2	4.2	
Factor cost adjustment	0.0	0.0		0.0	0.2	0.0	0.2
Final consumption	3.4	0.0		0.0	0.4	0.0	3.4
Exports of goods and services	0.0	0.0		0.0	0.0	1.6	1.6
Imports of goods and services	0.0	0.0		0.0	0.0	1.5	1.5
Balance = Saving	5.9	4.2	3.8	3.2	0.6	4.7	10.0
Capital transactions							
Gross capital formation	1.3	2.0	0.1	0.5	0.4	0.0	2.5
Taxes on capital etc	0.1	0.1	0.0	0.0	0.1	0.0	
Balance = Financial surplus or deficit	6.0	4.7	3.8	3.3	0.8	4.7	10.3
Financial transactions							
Notes, bills, etc	1.2	0.8	0.3	0.9	0.0	0.4	
Deposits with monetary sector	0.3	0.9	0.8	0.9	0.1	0.9	
Deposits with other institutions	0.1	0.1	0.0	0.1	0.0	0.1	
Bank lending	0.4	0.8	1.0	0.8	0.0	1.0	
Other lending	0.5	0.2	0.1	0.6	0.0	0.0	
Securities and unit trust units	5.0	4.0	1.0	1.0	0.0	5.0	
Other domestic transactions	4.2	2.5	0.4	3.5	1.1	3.3	
Other overseas transactions	0.5	3.0	0.0	1.7	0.0	3.0	
Total financial transactions	6.7	5.8	1.7	4.3	1.1	6.8	

1) Defined as half the difference between the upper and lower limits of the 90% probability range (see article). Aggregate error ranges have been derived assuming independence of components.

TABLE 5A
Balanced account, 1985 [1]: GDP constrained to GDP(A)

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other Financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes:							
Income from employment	195.3	0.0		0.0	0.0	0.0	195.3
Gross profits and other trading income	29.2	57.1		-5.6	7.3	0.0	88.0
Other factor incomes *less* stock appreciation	15.4	-0.1		0.3	5.8	0.0	21.4
Inter-sector transfers	-0.3	-29.1		15.4	14.8	-0.8	0.0
Factor cost adjustment	0.0	0.0		0.0	49.5	0.0	49.5
Final consumption	-214.8	0.0		0.0	-74.1	0.0	-288.9
Exports of goods and services	0.0	0.0		0.0	0.0	-102.4	-102.4
Imports of goods and services	0.0	0.0		0.0	0.0	98.7	98.7
Balance = Saving	24.8	27.9	5.0	5.2	3.4	-4.5	61.7
Capital transactions							
Gross capital formation	-15.4	-25.6	-0.9	-7.1	-12.6	0.0	-61.7
Taxes on capital etc	0.4	0.1	0.0	-0.1	-0.4	0.0	0.0
Balance = Financial surplus or deficit	9.8	2.4	4.1	-2.1	-9.7	-4.5	0.0
Financial transactions							
Notes, bills, etc.	2.9	-0.2	-2.0	4.6	-8.1	2.8	0.0
Deposits with monetary sector	5.1	4.3	-47.3	7.5	0.7	29.7	0.0
Deposits with other institutions	13.3	0.5	0.0	-13.8	0.0	0.0	0.0
Bank lending	-7.1	-7.6	41.8	-4.8	0.0	-22.3	0.0
Other lending	-19.8	-0.4	4.2	16.3	-0.1	-0.1	0.0
Securities and unit trust units	-4.4	2.7	7.4	12.7	-2.4	-15.9	0.0
Other domestic transactions	19.4	-2.2	-0.5	-20.7	0.2	3.7	0.0
Other overseas transactions	0.4	5.3	0.5	-3.9	0.0	-2.4	0.0
Total financial transactions	9.8	2.4	4.1	-2.1	-9.7	-4.5	0.0
Balancing item	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross domestic product (income-based)	304.7						
Gross domestic product (expenditure-based, at current factor cost)	-304.7						
Savings ratio (per cent)	*10.5*						

(1) See note on sign convention on Appendix contents page.

TABLE 5B
Differences from published data 1985

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes							
Income from employment	0.7	0.0		0.0	0.0	0.0	0.7
Gross profits and other trading income	0.9	-1.4		-0.5	0.0	0.0	-1.1
Other factor incomes *less* stock appreciation	0.0	-0.1		0.0	-0.1	0.0	-0.1
Inter-sector transfers	0.7	-1.6		2.0	0.0	-1.2	-0.1
Factor cost adjustment	0.0	0.0		0.0	0.0	0.0	0.0
Final consumption	0.4	0.0		0.0	-0.1	0.0	0.4
Exports of goods and services	0.0	0.0		0.0	0.0	0.4	0.4
Imports of goods and services	0.0	0.0		0.0	0.0	-0.5	-0.5
Balance = Saving	2.7	-3.1	0.8	0.7	-0.1	-1.3	-0.3
Capital transactions							
Gross capital formation	0.0	-0.6	0.0	-0.2	0.0	0.0	-0.8
Taxes on capital etc	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance = Financial surplus or deficit	2.7	-3.7	0.8	0.5	-0.1	-1.3	-1.1
Financial transactions							
Notes, bills, etc.	-1.0	0.3	0.0	-0.3	0.0	1.0	0.0
Deposits with monetary sector	-0.1	0.0	-0.1	0.0	0.0	0.2	0.0
Deposits with other institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank lending	-0.6	-0.5	1.0	0.1	0.0	0.1	0.0
Other lending	-0.1	0.0	-0.1	0.1	0.0	0.0	0.0
Securities and unit trust units	-4.2	1.7	-0.7	1.1	0.0	2.0	0.0
Other domestic transactions	-0.9	-0.1	-0.1	0.5	0.3	0.3	0.0
Other overseas transactions	0.4	-0.3	0.0	-1.0	0.0	0.9	0.0
Total financial transactions	-6.4	1.0	0.1	0.5	0.2	4.5	0.0
Balancing item	9.1	-4.7	0.7	0.0	-0.4	-5.8	-1.1
Gross domesticproduct (income-based)	-0.5						
Gross domestic product (expenditure-based, at current factor cost)	-0.5						
Savings ratio (per cent)	*1.0*						

(1) See note on sign convention on Appendix contents page.

TABLE 6A
Balanced account, 1986 [1]: GDP constrained to GDP(A)

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other Financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes:							
Income from employment	210.0	0.0		0.0	0.0	0.0	210.0
Gross profits and other trading income	31.5	53.2		-5.1	8.1	0.0	87.7
Other factor incomes *less* stock appreciation	17.4	0.8		0.3	6.0	0.0	24.5
Inter-sector transfers	-0.8	-25.8		19.1	12.6	-5.1	0.0
Factor cost adjustment	0.0	0.0		0.0	56.6	0.0	56.6
Final consumption	-236.2	0.0		0.0	-79.8	0.0	-316.0
Exports of goods and services	0.0	0.0		0.0	0.0	-98.1	-98.1
Imports of goods and services	0.0	0.0		0.0	0.0	100.7	100.7
Balance = Saving	21.8	28.2	6.2	8.1	3.5	-2.5	65.4
Capital transactions							
Gross capital formation	-18.2	-27.5	-1.0	-6.5	-12.1	0.0	-65.4
Taxes on capital etc	0.0	-0.1	0.0	-0.2	0.3	0.0	0.0
Balance = Financial surplus or deficit	3.6	0.6	5.2	1.4	-8.4	-2.5	0.0
Financial transactions							
Notes, bills, etc.	5.2	-1.0	-0.9	-0.4	-4.8	2.0	0.0
Deposits with monetary sector	8.3	10.9	-95.7	10.6	2.4	63.4	0.0
Deposits with other institutions	11.8	0.5	0.4	-13.3	0.0	0.5	0.0
Bank lending	-6.0	-9.4	84.6	-15.6	0.0	-53.6	0.0
Other lending	-27.5	-0.6	4.7	23.7	0.2	-0.4	0.0
Securities and unit trust units	-7.5	0.5	11.4	17.0	-3.8	-17.6	0.0
Other domestic transactions	18.9	-2.2	-0.1	-19.1	-2.2	4.7	0.0
Other overseas transactions	0.4	1.9	0.8	-1.5	-0.1	-1.5	0.0
Total financial transactions	3.6	0.6	5.2	1.4	-8.4	-2.5	0.0
Balancing item	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross domestic product (income-based)	322.2						
Gross domestic product (expenditure-based, at current factor cost)	-322.2						
Savings ratio (per cent)	*8.6*						

(1) See note on sign convention on Appendix contents page.

TABLE 6B
Differences from published data, 1986

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes:							
Income from employment	0.4	0.0		0.0	0.0	0.0	0.4
Gross profits and other trading income	1.0	-2.8		-0.5	0.0	0.0	-2.3
Other factor incomes *less* stock appreciation	0.4	0.0		0.0	-0.2	0.0	0.3
Inter-sector transfers	1.1	-1.3		2.4	0.0	-2.2	0.0
Factor cost adjustment	0.0	0.0		0.0	0.0	0.0	0.0
Final consumption	0.5	0.0		0.0	-0.1	0.0	0.4
Exports of goods and services	0.0	0.0		0.0	0.0	0.4	0.4
Imports of goods and services	0.0	0.0		0.0	0.0	-0.9	-0.9
Balance = Saving	3.4	-4.0	1.2	0.8	-0.3	-2.7	-1.7
Capital transactions							
Gross capital formation	0.0	-0.7	0.0	-0.2	0.0	0.0	-1.0
Taxes on capital etc	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance = Financial surplus or deficit	3.4	-4.8	1.2	0.6	-0.4	-2.7	-2.7
Financial transactions							
Notes, bills, etc.	0.6	0.1	-0.1	-2.1	0.0	1.4	0.0
Deposits with monetary sector	-0.2	-0.3	0.3	0.4	0.0	-0.3	0.0
Deposits with other institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank lending	-0.9	-0.7	1.4	0.1	0.0	0.1	0.0
Other lending	-0.1	-0.2	0.0	0.3	0.0	0.0	0.0
Securities and unit trust units	-10.0	1.9	-0.3	0.7	0.0	7.7	0.0
Other domestic transactions	-2.9	-0.2	-0.1	0.7	0.9	1.5	0.0
Other overseas transactions	0.3	-0.8	0.0	-0.7	0.0	1.3	0.0
Total financial transactions	-13.0	-0.2	1.3	-0.6	0.9	11.7	0.0
Balancing item	16.4	-4.6	-0.1	1.2	-1.3	-14.4	-2.7
Gross domestic product (income-based)	-1.6						
Gross domestic product (expenditure-based, at current factor cost)	-1.1						
Savings ratio (per cent)	*1.3*						

(1) See note on sign convention on Appendix contents page.

TABLE 7A
Balanced account, 1987[1]: GDP constrained to GDP(A)

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas Sector	Total
Current transactions							
Factor incomes:							
Income from employment	228.4	0.0	0.0		0.0	0.0	228.4
Gross profits and other trading income	34.5	64.3	-5.3		6.4	0.0	99.9
Other factor incomes *less* stock appreciation	18.8	-1.5	0.4		6.2	0.0	23.9
Inter-sector transfers:	-3.1	-28.4	18.6		15.7	-2.7	0.0
Factor cost adjustment	0.0	0.0	0.0		62.2	0.0	62.2
Final consumption	-258.6	0.0	0.0		-85.9	0.0	-344.5
Exports of goods and services	0.0	0.0	0.0		0.0	-107.0	-107.0
Imports of goods and services	0.0	0.0	0.0		0.0	111.2	111.2
Balance = Saving	19.9	34.4	6.2	7.5	4.7	1.5	74.2
Capital transactions							
Gross capital formation	-20.8	-34.3	-1.3	-7.0	-10.7	0.0	-74.2
Taxes on capital etc	-0.3	-0.4	0.0	-0.3	1.0	0.0	0.0
Balance = Financial surplus or deficit	-1.2	-0.3	4.8	0.2	-5.1	1.5	0.0
Financial transactions							
Notes,bills,etc	4.2	3.2	0.0	-0.7	-0.8	-5.8	0.0
Deposits with monetary sector	8.3	9.4	-97.0	23.8	2.2	53.2	0.0
Deposits with other institutions	13.6	0.1	0.4	-15.0	0.0	0.9	0.0
Bank lending	-9.4	-16.1	93.4	-16.7	0.0	-51.2	0.0
Other lending	-30.5	-1.2	10.0	21.9	-0.4	0.1	0.0
Securities and unit trust units	-5.6	-5.6	-1.9	7.1	-5.8	11.8	0.0
Other domestic transactions	17.7	-3.1	0.2	-19.6	-0.2	4.9	0.0
Other overseas transactions	0.4	13.1	-0.3	-0.6	-0.1	-12.5	0.0
Total financial transactions	-1.2	-0.3	4.8	0.2	-5.1	1.5	0.0
Balancing item	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross domestic product (income-based)	352.2						
Gross domestic product (expenditure-based, at current factor cost)	-352.2						
Savings ratio (per cent)	*7.3*						

(1) See note on sign convention on Appendix contents page.

TABLE 7B
Differences from published data, 1987 [1]

£ billion

	Personal sector	Industrial and commercial companies	Monetary sector	Other financial institutions	Public sector	Overseas sector	Total
Current transactions							
Factor incomes							
Income from employment	2.1	0.0	0.0		0.0	0.0	2.1
Gross profits and other trading income	1.5	-4.7	-1.9		0.0	0.0	-5.1
Other factor incomes *less* stock appreciation	0.8	0.0	0.0		-0.1	0.0	0.8
Inter-sector transfers	1.3	-2.3	1.8		-0.1	-0.7	-0.0
Factor cost adjustment	0.0	0.0	0.0		0.0	0.0	0.0
Final consumption	-0.2	0.0	0.0		-0.1	0.0	-0.3
Exports of goods and services	0.0	0.0	0.0		0.0	0.5	0.5
Imports of goods and services	0.0	0.0	0.0		0.0	-0.8	-0.8
Balance = Saving	5.5	-7.0	0.4	-0.5	-0.3	-1.0	-3.1
Capital transactions							
Gross capital formation	-0.1	-2.4	0.0	-0.3	-0.1	0.0	-2.8
Taxes on capital etc	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance = Financial surplus or deficit	5.5	-9.4	0.4	-0.8	-0.3	-1.0	-5.9
Financial transactions							
Notes, bills, etc	-0.2	0.3	-0.3	-0.5	0.0	0.8	0.0
Deposits with monetary sector	0.0	-0.3	-1.3	1.2	0.0	0.3	0.0
Deposits with other institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank lending	-1.1	-0.6	1.5	0.1	0.0	0.1	0.0
Other lending	-0.1	-0.4	0.0	0.5	0.0	0.0	0.0
Securities and unit trust units	-11.1	4.6	-0.4	6.7	0.0	0.2	0.0
Other domestic transactions	-4.0	1.0	-0.1	1.5	0.6	0.9	0.0
Other overseas transactions	0.4	0.2	0.0	-0.8	0.0	0.3	0.0
Total financial transactions	-16.2	4.8	-0.5	8.7	0.7	2.5	0.0
Balancing item	21.7	-14.1	0.9	-9.6	-1.0	-3.5	-5.9
Gross domestic product (income-based)	-2.3						
Gross domestic product (expenditure-based, at current factor cost)	-3.4						
Savings ratio (per cent)	*1.9*						

(1) See note on sign convention on Appendix contents page.

TABLE 8
Differences from published data[1], 1985-1987

£ billion

	Personal sector			Industrial and commercial companies			Monetary sector[2]		
	1985	1986	1987	1985	1986	1987	1985	1986	1987
Current transactions									
Factor incomes									
Income from employment	0.7	0.4	2.1	0.0	0.0	0.0	0.0	0.0	0.0
Gross profits and other trading income	0.9	1.0	1.5	-1.4	-2.8	-4.7	-0.5	-0.5	-1.9
Other factor incomes *less* stock appreciation	0.0	0.4	0.8	-0.1	0.0	0.0	0.0	0.0	0.0
Inter-sector transfers	0.7	1.1	1.3	-1.6	-1.3	-2.3	2.0	2.4	1.8
Factor cost adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Final consumption	0.4	0.5	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Exports of goods and services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Imports of goods and services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance = Saving	2.7	3.4	5.5	-3.1	-4.0	-7.0	0.8	1.2	0.4
Capital transactions									
Gross capital formation	0.0	0.0	-0.1	-0.6	-0.7	-2.4	0.0	0.0	0.0
Taxes on capital etc	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance = Financial surplus or deficit	2.7	3.4	5.5	-3.7	-4.8	-9.4	0.8	1.2	0.4
Financial transactions									
Notes, bills, etc	-1.0	0.6	-0.2	0.3	0.1	0.3	0.0	-0.1	-0.3
Deposits with monetary sector	-0.1	-0.2	0.0	0.0	-0.3	-0.3	-0.1	0.3	-1.3
Deposits with other institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank lending	-0.6	-0.9	-1.1	-0.5	-0.7	-0.6	1.0	1.4	1.5
Other lending	-0.1	-0.1	-0.1	0.0	-0.2	-0.4	-0.1	0.0	0.0
Securities and unit trust units	-4.2	-10.0	-11.1	1.7	1.9	4.6	-0.7	-0.3	-0.4
Other domestic transactions	-0.9	-2.9	-4.0	-0.1	-0.2	1.0	-0.1	-0.1	-0.1
Other overseas transactions	0.4	0.3	0.4	-0.3	-0.8	0.2	0.0	0.0	0.0
Total financial transactions	-6.4	-13.0	-16.2	1.0	-0.2	4.8	0.1	1.3	-0.5
Balancing item	9.1	16.4	21.7	-4.7	-4.6	-14.1	0.7	-0.1	0.9

(1) See note on sign convention on Appendix contents page.

(2) Current transactions include those of the other financial institutions sector.

TABLE 8 continued
Differences from published data, 1985-1987[1]

£ billion

	Other financial institutions			Public sector			Overseas sector		
	1985	1986	1987	1985	1986	1987	1985	1986	1987
Current transactions									
Factor incomes:									
Income from employment	..	..	..	0.0	0.0	0.0	0.0	0.0	0.0
Gross profits and other trading income	..	..	..	0.0	0.0	0.0	0.0	0.0	0.0
Other factor incomes *less* stock appreciation	..	..	..	-0.1	-0.2	-0.1	0.0	0.0	0.0
Inter-sector transfers	..	..	..	0.0	0.0	-0.1	-1.2	-2.2	-0.7
Factor cost adjustment	..	..	..	0.0	0.0	0.0	0.0	0.0	0.0
Final consumption	..	..	..	-0.1	-0.1	-0.1	0.0	0.0	0.0
Exports of goods and services	..	..	..	0.0	0.0	0.0	0.4	0.4	0.5
Imports of goods and services	..	..	..	0.0	0.0	0.0	-0.5	-0.9	-0.8
Balance = Saving	0.7	0.8	-0.5	-0.1	-0.3	-0.3	-1.3	-2.7	-1.0
Capital transactions									
Gross capital formation	-0.2	-0.2	-0.3	0.0	0.0	-0.1	0.0	0.0	0.0
Taxes on capital etc	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Balance = Financial surplus or deficit	0.5	0.6	-0.8	-0.1	-0.4	-0.3	-1.3	-2.7	-1.0
Financial transactions									
Notes, bills, etc	-0.3	-2.1	-0.5	0.0	0.0	0.0	1.0	1.4	0.8
Deposits with monetary sector	0.0	0.4	1.2	0.0	0.0	0.0	0.2	-0.3	0.3
Deposits with other institutions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank lending	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Other lending	0.1	0.3	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Securities and unit trust units	1.1	0.7	6.7	0.0	0.0	0.0	2.0	7.7	0.2
Other domestic transactions	0.5	0.7	1.5	0.3	0.9	0.6	0.3	1.5	0.9
Other overseas transactions	-1.0	-0.7	-0.8	0.0	0.0	0.0	0.9	1.3	0.3
Total financial transactions	0.5	-0.6	8.7	0.2	0.9	0.7	4.5	11.7	2.5
Balancing item	0.0	1.2	-9.6	-0.4	-1.3	-1.0	-5.8	-14.4	-3.5

(1) See note on sign convention on Appendix contents page.

TABLE 9
Balanced accounts 1987[1]: differences from Table 7A results for alternative variants

£ billion

	Published value	Balanced Account (Table 7A)	Differences from Table 7A results: Effect of varying GDP constraint: No constraint	Effect of varying GDP constraint: Constrain to GDP(I)	Effect of varying error ranges: Above the line	Effect of varying error ranges: Below the line	Effect of varying error ranges: Both	Constrain two series	With no prior adjustment
			Variant 1	Variant 2	Variant 3	Variant 4	Variant 5	Variant 6	Variant 7
Personal sector									
Income from employment	226.3	226.4	0.4	1.0	-0.4	-0.3	-0.6	-0.6	-0.3
Income from self-employment	33.0	34.5	0.1	0.1	-0.1	0.0	-0.1	-0.1	-1.1
Other factor incomes *less* stock appreciation	18.0	18.8	0.0	0.1	0.0	0.0	-0.1	-0.1	-0.5
Final consumption	-258.4	-258.6	-0.4	-1.2	2.1	-0.2	1.7	0.9	1.4
Bank lending	-8.2	-8.4	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Securities and unit trust units	5.5	-5.6	0.0	0.0	1.1	0.6	1.5	2.6	0.4
Other domestic transactions	21.7	17.7	0.0	0.0	0.5	-1.3	-0.6	-1.6	-0.9
Other overseas transactions	0.0	0.4	0.0	0.0	0.0	-0.1	-0.1	0.0	-0.6
Industrial and commercial companies									
Gross trading profits	69.0	64.3	0.2	0.7	0.4	0.4	0.7	1.4	0.9
Inter-sector transfers	-26.0	-28.4	0.0	0.0	0.2	0.2	0.3	-0.6	0.6
Gross capital formation	-32.0	-34.3	-0.1	-0.4	-1.3	0.2	-1.0	-0.5	0.3
Bank lending	-15.6	-16.1	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Securities and unit trust units	-10.2	-5.6	0.0	0.1	-0.4	-0.6	-0.9	-0.7	-1.1
Other domestic transactions	-4.0	-3.1	0.0	0.1	-0.1	1.3	1.0	0.4	0.2
Other overseas transactions	12.9	13.1	0.0	0.1	0.0	0.1	0.0	0.2	0.6
Monetary and other financial institutions									
Gross trading profits	-3.4	-5.3	0.1	0.2	0.0	0.0	0.1	-0.5	1.3
Inter-sector transfers	16.8	18.6	-0.1	-0.2	-0.2	0.0	-0.1	0.7	-1.8
Monetary sector									
Deposits with monetary sector	-95.7	-97.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Bank lending	91.9	93.4	0.0	0.0	0.0	0.0	0.0	0.0	-1.8
Other financial institutions									
Notes,bills,etc	-0.2	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7
Deposits with monetary sector	22.6	23.8	0.0	0.0	0.0	0.0	0.0	0.0	-1.1
Securities and unit trust units	0.4	7.1	0.0	0.0	0.0	0.2	0.2	-0.1	-1.3
Other domestic transactions	-21.1	-19.6	0.0	0.0	-0.2	-0.2	-0.4	0.6	1.3
Other overseas transactions	0.2	-0.6	0.0	0.0	0.1	0.1	0.2	-0.2	0.8
Overseas sector									
Inter-sector transfers:	-2.0	-2.7	0.0	0.1	0.2	0.0	0.1	-0.6	1.1
Exports of goods and services	-107.5	-107.0	-0.1	-0.2	-0.6	0.0	-0.6	-0.3	-1.8
Imports of goods and services	112.0	111.2	-0.1	-0.2	-0.5	0.0	-0.5	-0.2	0.2
Notes, bills, etc	-6.6	-5.8	0.0	0.0	0.0	0.0	0.0	0.0	-0.8
Securities and unit trust units	11.6	11.8	-0.1	-0.2	-0.6	-0.2	-0.8	-1.7	1.8
Other domestic transactions	4.0	4.9	0.0	-0.1	-0.2	0.3	0.0	0.6	-0.5
Other overseas transactions	-12.7	-12.5	0.0	-0.1	0.0	0.0	-0.1	0.0	-0.9

(1) See note on sign convention on Appendix contents page.

The rebased index of production

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Introduction

In September 1988 the rebased index of production was introduced, using as weights the 1985 contribution of each industry to total production industries' value added. These replaced the 1980 based weights in the previous index. This article gives an outline of the way in which the index of production is currently compiled and the changes involved at this rebasing. A general article on the rebasing of the national accounts appeared in the January 1989 edition of *Economic Trends*.

At rebasing the opportunity is also taken to review methodology and coverage, and on this occasion revisions to the figures are due more to these changes than to pure rebasing effects. The rebased and revised figures resulted in a different growth profile from 1983 onwards. Over the period 1983 to 1987 the growth in manufacturing output was revised up from 13 per cent to 14 and for energy output from 6 per cent to 8½ per cent. As a result the overall output of production industries was revised up from 11 per cent to 12 per cent.

General background

The index of production covers energy and manufacturing industries. Separate indices are published for manufacturing and for energy. Also a 19 industry breakdown is published along with a breakdown into 10 market sectors. The indices aim to measure changes in net output (or value added) at constant prices. Conceptually value added should be estimated as the difference between outputs and current inputs, each valued at base year prices. In the case of a manufacturer this would normally be the difference between the gross revenue at base year prices and the cost of current goods and services purchased in order to carry out the manufacturer's business again at base year prices. Value added is then what is left to cover wages and salaries etc., profits and capital costs.

It is not practical to collect monthly or quarterly the information required by the conceptual method described above. Instead, movements in value added for individual industries are generally approximated to by movements in gross output. The index of production is compiled from indicators for 291 individual industries. The indicators used are, with one exception, gross output indicators. For energy industries the indicators are mostly measures of the quantity of production and for manufacturing they are mostly indicators based on the value of sales of each industry deflated to base year prices. An analysis of the difference types of indicators used is shown in Table 2 and in a few cases different indicators are used for initial estimates and for the final estimates. For an individual homogeneous industry the relationship, valued at base year prices, between gross output and value added will only change slowly (as perhaps the industry's mix of input products changes or its use of inputs becomes more efficient), and consequently gross output will often be a good indicator of value added in the short term. Even where at current prices the ratio between gross output and value added changes, the change may be due to differing output and input price movements and hence in constant prices the ratio can be more stable. The rebasing process every 5 years then catches up with changes in the relationship between gross output and value added over this period.

The indicators for each industry are scaled so that they each form an index number with the base year as 100. They are then combined into aggregates using weights reflecting relative value added in the base year. Thus for the base year, now 1985, value added is estimated directly and each industry's weight is its relative contribution to the total value added of all production industries.

The basic building block used as an industry is that defined by a four digit 'Activity Heading' of the Standard Industrial Classification, but in some cases activity headings are further sub-divided. The assumption that gross output can stand proxy for value added is only tenable for individual industries which are reasonably homogeneous. The consequences of output switching between these industries, each with differing value added to gross output ratios, can then be measured adequately by the index of production. The assumption breaks down, however, when switching occurs within an industry with differing internal value added to gross output ratios.

In almost all cases the figures for each individual industry are initially derived outside the CSO. The figures for individual industries are compiled by the Department of Trade and Industry, the Department of Energy, the Department of Environment and the Ministry of Agriculture, Fisheries and Food. The role of the CSO is to co-ordinate and integrate the individual series into a coherent index of production.

The manufacturing part of the index described above is based mainly on deflated sales figures. Since the aim is to measure production rather than sales, a further adjustment to the figures is necessary. A business's production will either be sold or put into stock; or if sales exceed production, sales will partly come out of stock. Consequently sales plus the value of the increase or decrease in stocks can be used as an estimate, albeit indirectly derived, of production. The 291 individual indicators are aggregated together into 19 industry groups and 10 market sectors and at this stage the index is adjusted where necessary for changes in stock levels. The stock adjustment is not available for each individual industry.

In addition, at the level of the industry groups and market sectors, an adjustment to allow for bias in the early monthly estimates is applied to the manufacturing figures. This adjustment is applied to the latest six months' figures and its size varies depending on the magnitude of any discrepancy between the basic figures for the index and the CBI's forward looking indicator for manufacturing output. A note on the bias adjustment is available from the CSO on request.

A further adjustment made to the figures is seasonal adjustment. All the published figures for the index of production are published in seasonally adjusted form. This is so as to enable comparisons to be made within a year. Not seasonally adjusted figures are also available and are published in summary form.

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Rebasing

As mentioned earlier rebasing takes place every 5 years and at this time all the individual industry indicators are rescaled so that they equal 100 in the new base year and new value added weights are derived for the base year. In the case of deflated sales indicators a completely new series is compiled using a rebased price deflator. The rescaled indicators weighted together by the new weights then become the rebased index of production.

The base year weights come from an industry analysis of the income measure of gross domestic product. The weights are therefore consistent with the 1985 data in Tables 2.1 and 2.2 of the 1988 Blue Book. The figures within manufacturing industry in Table 2.2 of the Blue Book and the weights within manufacturing for the index of production are derived using information from the annual census of production (ACOP). The ACOP contains direct information on value added for each industry and this is used to allocate total manufacturing value added to individual industries. ACOP information on value added is generally available for each activity heading of the SIC.

Changes in weights between two rebasings can come about for a number of reasons. The most common reasons are change in volume of business, change in the price of either output or inputs, or technological change resulting in more efficient use of, or different mix of, inputs.

For this rebasing the weights have been derived for 1985 and have been used to combine the individual industries from 1983 onwards. Consequently movements within 1983 and subsequent to 1983 may be revised. Long runs of series are maintained by linking the rebased series from 1983 with the previous series up to 1983. This is done by using 1983 as a link year and changing all the data prior to 1983 by the ratio of the rebased figure for 1983 to the previous figure for 1983. Consequently movements prior to 1983 remain unchanged, but the level of the rebased series will be different. Prior to 1983 the data for each 5 year period remains weighted together using the appropriate base year weights, eg. 1980 weights for the 1978 to 1982 period.

The results of rebasing and revised methodology are summarised in Table 1. This table shows the changes in weights between the 1980 and 1985 bases and the change in growth rate between 1983 and 1987 introduced at the time of rebasing. The main change in the weights is the increase in the energy sector weight, mainly reflecting the increase in the volume of oil extraction over the period 1980 to 1985. Over the period 1983 to 1987 the growth in manufacturing output was revised up from 13 per cent to 14 and for energy output from 6 per cent to 8½ per cent. As a result the overall output of production industries was revised up from 11 per cent to 12 per cent. It is sometimes suggested that rebasing usually produces a decrease in growth rates. This is due to a tendency for output to grow faster in those industries whose relative prices decline. In practice many factors, including relative international prices, incomes and quality issues can influence changes in output mixes. However the main changes introduced at the time of this rebasing are due to changes in methodology rather than pure rebasing effects. Causes of the larger changes in growth rates in individual industry groups are discussed below in the section on changes in methodology and coverages.

Table 2 shows the different types of indicators used for the index of production, and their relative importance at the provisional stage when figures are first published and then when they become final. The first row shows the quantity of production indicators which are mainly in the energy sector. The second row shows the deflated value of work done indicators. These are cases where the individual industry indicator is based on deflated sales and is also stock adjusted directly before aggregation to industry groups. The value added row is for the electricity series which is the only value added indicator. The next four rows in the table are for the sales or deliveries indicators. They are almost entirely in the manufacturing sector and the bulk of them are deflated sales indicators. Finally there are a few indicators in the food area which use input materials as a measure of output.

Comparison of weights and of movements in the 1980 and 1985-based index of production

TABLE 1

Industry		1980-based weights	1985-based weights	Percentage change 1983 to 1987	
				1980=100	1985=100
Divisions 1-4	Production Industries	1 000.0	1 000.0	*10.9*	*12.2*
Division 1	Energy and water supply	264.2	308.6	*5.8*	*8.5*
11-12	Coal and coke	41.4	35.3	*– 15.2*	*– 11.6*
13	Extraction of mineral oil and natural gas	123.1	180.0	*8.5*	*8.2*
14	Mineral oil processing	14.6	12.2	*6.6*	*5.7*
15-17	Other energy and water supply	85.1	81.2	*9.6*	*20.8*
Divisions 2-4	Manufacturing	735.8	691.4	*13.1*	*13.9*
21-22	Metals	25.4	26.3	*14.0*	*15.2*
23-24	Other minerals and mineral products	41.2	34.7	*8.0*	*10.4*
25	Chemicals	65.7	69.4	*20.4*	*19.3*
26	Man-made fibres	1.9	2.2	*– 16.4*	*9.4*
31	Metal goods nes	45.1	37.0	*8.3*	*7.2*
32	Mechanical engineering	106.1	85.5	*2.0*	*4.4*
33-34, 37	Electrical and instrument engineering	94.5	97.9	*26.3*	*26.7*
35	Motor vehicles and parts	42.1	38.3	*8.4*	*7.8*
36	Other transport equipment	37.3	36.7	*6.0*	*10.2*
411-423	Food	66.9	65.7	*2.8*	*4.0*
424-429	Drink and tobacco	32.3	25.0	*5.7*	*1.8*
43	Textiles	24.0	21.5	*11.1*	*11.4*
44-45	Clothing, footwear and leather	27.8	25.3	*11.1*	*11.5*
47	Paper, printing and publishing	67.3	70.5	*21.5*	*22.6*
46, 48-49	All other manufacturing (including timber, furniture, rubber and plastics)	58.3	55.2	*22.7*	*24.1*

Indicators used in the monthly index of output of production - analysis by type of indicator

TABLE 2

Type of indicator	Percentage of total weight			
	1985-based index			1980-based index
	Provisional estimates	Final estimates	Percentage level of imputation in initial publication	Final estimates
Production — quantities	34.6	32.5	5	38.1
Deflated value of work done	2.2	3.3	100	3.1
Value added	4.7	4.7	–	–
Sales or deliveries				
— quantities	6.4	5.6	25	5.7
— values deflated	45.9	43.0	25	44.0
— mixture of quantities and values deflated	2.1	8.4	100	8.0
— unit values	1.6	2.1	–	1.0
Mixture of sales and production quantities	0.5	–	–	–
Input — labour	0.2	– 0.9[1]	–	– 0.4[1]
— materials	1.9	1.3	5	0.5
Total	100.0	100.0	20	100.0

1 Exploration costs in oil and gas extraction

Also for reference purposes tables are set out in the Annex which show long runs of annual and quarterly data for the index of production and for the published industry groups. For consistency with Table 1 these figures reflect the situation when the rebased figures were first published in September 1988. The more recent data has subsequently been revised. Whilst these long runs of data are included for reference purposes it should be noted that the index of production is intended primarily as a short-term indicator and there can be problems with long runs of data. For example changes in methodology have normally only been carried back to 1983, and the weights for earlier periods have not been revised in line with subsequent revisions to the estimates in the industry analysis of the income measure of gross domestic product.

Changes in methodology and coverages

As previously mentioned at rebasing the opportunity is taken to review the methods by which certain industry figures are compiled and to review the coverages of the figures. The main changes introduced at this rebasing are as follows:

1. An indicator is now used for electricity which is closer to a true measure of value added. The electricity industry is probably unique in that monthly information is available regarding its mix of main purchases, ie fuel oil, coal and nuclear fuel. The output of the industry and these inputs are now separately expressed in base year prices in order to measure value added more directly. In this case the industry can, to a certain degree, fairly easily switch between different input fuels, as it demonstrated during the 1984 miners' dispute, and therefore gross output has not always proved to be a good proxy for value added.

2. Merchanted goods (ie goods not produced or further processed by the business concerned) are now often given a separate and lower weight than produced goods. The previous practice was to include merchanted goods along with produced goods and then to apply the industry weight to the total. This practice is not theoretically appropriate because merchanted goods will generally attract a much lower value added than produced goods. However so long as the growth in merchanted goods is similar to that of produced goods any error will be small. Because in a number of industries merchanted goods have shown faster growth than produced goods, in many cases now a separate and usually smaller weight is applied to merchanted goods to reflect a smaller contribution to value added.

3. A more appropriate deflator is now used for the computer industry. The deflator for the computer industry is based on a combination of the price of computer hardware and an index of wages and salaries to reflect the software content in sales. More reliable information is now used to estimate the proportions in which these two measures of price change are combined.

4. More volume indicators are now used for building materials. For most of manufacturing industry the output indicators are sales deflated to base year prices. However where a product is very well defined, homogeneous, and does not change over time then a better output indicator is the volume of production. This removes the measurement error in deriving price deflators. Volume indicators have always been used for certain chemicals and building materials and from this rebasing more volume indicators have been used for building materials.

5. There are a number of areas where the coverage of the industry indicators used has been extended sometimes using different data sources. The main areas involved are man-made fibres, manufactured food and motor vehicles. For man-made fibres the indicator now includes the sales of chemical products by firms mainly producing man-made fibres. As the sales of man-made fibres has declined the firms involved have tended to diversify into chemical products. For the motor vehicle industry the coverage has now been extended to cover merchanted goods. For manufactured food, developments in milk and related products have necessitated a review of the data sources and the coverage here is now improved.

ANNEX

Table A.1 Index of output of the production industries 1985 = 100

	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Energy and water supply:											
Coal and coke	138.6	136.6	136.6	139.9	136.2	130.4	125.3	55.9	100.0	114.2	110.8
Extraction of mineral oil and natural gas	31.4	45.6	65.3	66.2	73.0	83.2	91.1	97.4	100.0	101.2	98.6
Mineral oil processing	110.6	111.4	115.5	101.6	94.5	94.2	96.7	99.6	100.0	100.9	102.2
Other energy and water supply	87.1	89.1	92.7	92.2	94.3	93.7	96.9	82.3	100.0	111.4	117.1
Total	61.7	69.8	82.4	82.5	86.4	91.6	96.8	88.8	100.0	105.4	105.0
Manufacturing:											
Metals	115.5	113.4	118.2	89.7	95.1	92.5	93.9	93.6	100.0	100.1	108.1
Other minerals and mineral products	112.2	115.1	114.2	102.9	91.6	93.5	96.6	100.3	100.0	101.3	106.6
Chemicals	89.6	90.6	93.2	84.3	84.3	84.9	91.2	96.6	100.0	101.9	108.8
Man-made fibres	171.8	184.2	176.4	128.8	109.4	87.5	100.6	105.0	100.0	103.5	110.0
Metal goods nes	128.9	123.9	121.9	100.6	92.8	93.3	95.7	104.3	100.0	99.3	102.6
Mechanical engineering	124.6	121.4	117.3	107.7	96.1	97.5	93.7	96.0	100.0	96.5	97.9
Electrical and instrument engineering	75.8	79.5	79.2	77.5	72.8	76.2	84.1	94.3	100.0	100.4	106.6
Motor vehicles and parts	145.8	138.2	134.4	116.2	96.4	93.1	97.6	95.8	100.0	97.8	105.3
Other transport equipment	98.1	103.3	99.8	107.9	111.7	108.8	102.5	99.8	100.0	103.8	113.0
Food	93.8	94.5	95.9	95.5	94.7	98.0	99.1	100.1	100.0	101.6	103.1
Drink and tobacco	100.6	106.8	109.0	107.7	104.0	101.4	102.3	102.7	100.0	98.9	104.2
Textiles	133.6	129.0	123.7	102.3	93.9	91.6	93.7	96.2	100.0	100.3	104.4
Clothing, footwear and leather	105.6	107.0	108.6	94.2	88.2	87.4	91.7	95.7	100.0	101.3	102.3
Paper, printing and publishing	103.3	105.5	109.5	101.1	96.0	92.6	93.2	98.1	100.0	103.8	114.3
All other manufacturing (including timber, furniture, rubber, plastics)	110.2	113.4	113.9	98.2	89.5	88.3	93.9	99.0	100.0	105.1	116.5
Total	105.4	106.1	105.9	96.7	91.0	91.2	93.8	97.7	100.0	100.9	106.8
Total production industries	92.7	95.3	99.0	92.5	89.6	91.3	94.7	94.9	100.0	102.3	106.2

Table A.2 Index of output of the production industries 1985 = 100

SUMMARY	Total production industries	Energy and water supply	Manufacturing industries							
			Total manufacturing industries	Metals	Other minerals & mineral products[1]	Chemicals and man-made fibres	Engineering and allied industries	Food, drink and tobacco	Textiles, footwear, clothing & leather	Other manufacturing
Class [2]	DIV 1-4	DIV 1	DIV 2-4	21-22	23-24	25-26	31-37	41-42	43-45	46-49
Weights	1000	309	691	26	35	71	295	91	47	126
1948	41.2	26.8	47.7	..	51.6	16.5	45.0	50.0	76.1	38.5
1949	43.9	28.2	51.2	..	54.0	18.4	48.2	51.9	82.3	42.3
1950	46.9	29.4	55.0	..	57.2	21.0	51.6	53.4	88.8	46.9
1951	48.4	31.0	56.6	..	60.9	22.0	54.5	52.5	87.7	49.1
1952	46.6	31.9	53.8	..	59.6	19.4	54.7	53.9	74.9	43.4
1953	49.5	32.8	57.7	..	60.8	22.9	56.9	56.9	86.1	47.0
1954	52.1	34.2	60.8	..	62.0	25.0	59.8	57.3	88.8	52.9
1955	54.9	34.6	64.6	..	64.4	26.2	66.1	58.7	87.7	56.3
1956	55.0	35.5	64.5	..	63.7	27.8	65.0	60.1	86.8	55.0
1957	56.2	35.9	66.0	..	61.7	29.3	67.4	61.0	86.3	56.0
1958	55.7	36.1	65.4	..	60.7	29.6	68.2	62.8	78.8	56.3
1959	58.4	35.9	69.1	..	64.8	33.1	71.4	64.9	84.0	60.5
1960	62.6	36.6	74.7	..	71.4	36.8	76.9	66.8	88.0	66.5
Seasonally adjusted										
1952 1	47.0	30.6	54.8	..	60.7	20.5	54.4	53.3	78.3	46.5
2	46.0	31.6	53.2	..	59.8	18.7	55.2	53.8	69.2	43.2
3	45.7	32.8	52.3	..	58.6	18.3	53.5	54.3	70.3	41.1
4	47.6	32.4	55.0	..	59.4	20.1	55.5	54.3	82.0	42.9
1953 1	48.4	33.0	56.0	..	59.7	22.0	56.0	55.1	84.7	43.4
2	49.0	32.4	57.0	..	59.8	22.5	55.8	57.2	86.5	46.1
3	49.2	31.8	57.7	..	60.6	22.9	56.6	57.2	85.8	47.7
4	51.5	33.8	60.1	..	63.0	24.1	59.1	58.2	87.3	50.7
1954 1	50.9	34.1	59.2	..	61.6	24.2	57.7	56.6	88.8	50.9
2	51.7	33.9	60.4	..	62.0	25.0	58.9	56.8	89.6	52.8
3	52.3	34.2	61.0	..	61.7	25.1	60.5	57.3	88.8	53.4
4	53.3	34.7	62.4	..	62.5	25.6	62.2	58.5	88.0	54.5
1955 1	54.2	35.0	63.6	..	62.6	25.8	64.4	58.4	88.2	55.4
2	54.5	34.2	64.2	..	63.9	25.8	66.1	58.3	87.3	55.5
3	54.8	34.0	64.7	..	65.1	26.2	66.5	59.3	86.5	56.5
4	56.0	35.3	65.9	..	66.0	27.1	67.3	59.0	88.8	57.6
1956 1	55.3	35.3	65.0	..	62.7	27.8	66.6	58.7	86.8	54.9
2	55.2	35.5	64.7	..	65.1	28.1	64.6	60.1	88.2	55.5
3	54.7	35.6	63.9	..	64.0	27.6	64.5	59.4	86.6	54.7
4	54.8	35.6	64.1	..	62.9	27.6	64.2	62.3	85.5	54.8
1957 1	55.7	35.4	65.5	..	63.5	28.2	65.7	61.4	88.9	56.2
2	56.1	36.2	65.8	..	61.6	29.2	66.4	60.4	88.0	56.1
3	57.0	36.1	66.9	..	61.0	29.9	69.6	60.9	86.3	56.1
4	56.0	36.0	65.8	..	60.9	29.8	67.9	61.2	81.8	55.4
1958 1	56.3	36.2	66.1	..	60.7	29.5	68.3	62.8	82.3	55.9
2	55.5	36.2	65.1	..	59.8	29.2	67.7	63.5	77.5	55.9
3	55.2	35.9	64.6	..	60.0	29.1	67.5	62.5	77.0	56.0
4	56.0	36.1	65.8	..	62.2	30.7	69.3	62.3	78.5	57.3
1959 1	56.3	35.9	66.3	..	62.0	31.3	68.3	64.3	80.1	58.5
2	57.8	35.9	68.2	..	64.5	32.6	70.9	64.3	83.1	59.1
3	58.4	36.0	69.1	..	65.6	33.5	70.3	65.8	85.3	60.7
4	61.3	35.9	73.0	..	67.2	34.9	76.2	65.3	87.6	63.7
1960 1	62.4	36.5	74.4	..	69.9	35.9	77.3	65.9	87.8	66.2
2	62.3	36.0	74.5	..	71.5	36.7	76.6	66.8	87.9	66.3
3	62.6	36.9	74.6	..	71.4	37.4	76.2	66.6	87.6	66.5
4	63.2	36.9	75.4	..	72.8	37.3	77.3	67.8	88.7	66.8

[1] Mainly building materials.
[2] Industries are grouped according to the Standard Industrial Classification 1980.

Table A.3 Index of output of the production industries 1985 = 100

SUMMARY	Total production industries	Energy and water supply	Manufacturing industries							
			Total manufacturing industries	Metals	Other minerals & mineral products[1]	Chemicals and man-made fibres	Engineering and allied industries	Food, drink and tobacco	Textiles, footwear, clothing & leather	Other manufacturing
Class [2]	DIV 1-4	DIV 1	DIV 2-4	21-22	23-24	25-26	31-37	41-42	43-45	46-49
Weights	1000	309	691	26	35	71	295	91	47	126
1961	62.8	37.0	74.9	..	75.2	37.3	77.5	68.9	86.2	67.0
1962	63.4	38.8	75.1	..	76.0	39.1	78.4	70.1	83.7	67.5
1963	65.5	39.7	77.7	..	78.6	42.4	80.4	72.3	86.4	70.0
1964	70.9	40.7	84.8	..	91.1	47.0	87.9	73.9	91.4	79.0
1965	72.9	41.7	87.2	..	92.3	50.3	89.5	75.7	94.3	80.9
1966	74.1	41.8	88.8	..	92.4	53.3	92.1	77.9	94.1	82.0
1967	74.6	42.4	89.3	..	96.1	56.6	92.8	79.3	91.5	83.6
1968	80.3	41.0	96.1	140.2	102.9	62.9	99.3	82.4	116.6	96.9
1969	83.0	41.4	99.7	143.5	105.9	66.4	104.5	85.1	117.6	98.4
1970	83.5	42.1	100.0	139.8	103.2	70.3	104.9	86.3	115.8	98.3
Seasonally adjusted										
1961 1	62.4	35.6	74.7	..	75.3	37.7	75.9	68.9	86.3	67.5
2	63.3	36.9	75.7	..	75.1	37.1	78.6	68.7	87.5	67.5
3	63.1	37.5	75.1	..	75.3	36.9	78.2	69.0	87.1	66.7
4	62.6	38.0	74.1	..	75.1	37.6	77.5	69.0	83.9	66.1
1962 1	62.6	38.0	74.1	..	75.2	37.9	77.4	69.7	83.9	66.0
2	63.6	38.7	75.4	..	76.7	38.8	78.9	70.4	82.9	68.2
3	64.0	39.3	75.8	..	76.1	39.9	79.4	70.1	84.3	68.2
4	63.4	39.2	75.0	..	76.1	39.9	77.7	70.5	83.8	67.7
1963 1	62.7	40.1	73.9	..	67.0	40.0	77.6	70.2	82.9	63.3
2	64.8	39.5	76.6	..	79.3	41.9	78.9	72.4	85.4	69.5
3	66.6	39.7	79.2	..	81.8	43.3	81.9	73.3	87.6	71.9
4	68.0	39.6	81.2	..	86.3	44.5	83.1	73.3	89.6	75.5
1964 1	70.2	40.8	83.8	..	88.8	45.5	87.0	73.0	91.1	78.7
2	70.0	40.1	83.8	..	89.6	46.3	86.8	72.8	90.4	77.9
3	70.8	40.6	84.7	..	91.3	47.2	87.5	74.5	91.4	78.6
4	72.6	41.2	87.0	..	94.6	48.8	90.3	75.3	92.9	81.0
1965 1	72.6	41.7	86.8	..	93.6	49.9	89.1	74.8	93.3	80.8
2	72.6	41.1	87.0	..	92.7	50.2	89.5	75.2	93.7	80.5
3	72.7	41.9	86.8	..	91.6	50.5	88.5	76.0	94.6	80.8
4	73.7	42.2	88.2	..	91.4	50.6	91.1	76.7	95.6	81.6
1966 1	74.5	41.0	89.7	..	92.7	52.9	92.8	78.0	96.3	83.2
2	74.4	42.2	89.2	..	91.8	52.7	91.8	78.6	96.3	83.3
3	74.6	41.5	89.6	..	93.5	54.1	93.8	77.5	93.8	82.9
4	72.7	42.6	86.7	..	91.6	53.7	90.1	77.6	90.0	78.9
1967 1	73.7	41.8	88.2	..	94.4	55.7	91.5	79.3	90.9	81.1
2	74.4	42.5	89.0	..	96.1	56.2	93.2	78.9	89.5	82.7
3	74.3	41.5	89.2	..	96.6	56.3	92.1	79.9	91.1	84.3
4	76.1	43.6	90.8	..	97.3	58.2	94.2	79.0	94.4	86.1
1968 1	79.1	40.2	94.7	134.2	102.1	62.4	96.5	82.4	116.5	97.9
2	80.2	41.8	95.6	140.0	102.0	62.2	99.0	81.6	115.2	96.7
3	80.9	41.6	96.6	142.8	102.4	62.8	100.7	82.9	117.2	95.5
4	81.1	40.3	97.4	143.9	104.9	64.2	100.8	82.7	117.5	97.6
1969 1	82.3	41.8	98.5	145.6	105.9	65.5	102.2	84.1	118.5	97.5
2	83.8	42.5	100.4	149.0	106.2	66.2	105.5	84.6	119.9	97.7
3	83.2	41.2	99.9	138.1	107.1	67.1	105.4	85.5	116.4	98.6
4	82.9	40.1	99.9	141.2	104.5	66.8	104.9	86.1	115.7	99.7
1970 1	83.1	43.1	99.2	136.8	103.8	68.2	104.6	84.3	115.4	97.9
2	83.3	41.4	100.1	143.9	95.3	70.3	105.1	86.6	116.5	98.7
3	83.5	42.1	100.0	142.0	106.5	71.6	103.6	87.1	115.6	98.6
4	83.9	41.7	100.7	136.5	107.0	70.9	106.1	87.3	115.6	98.1

[1] Mainly building materials.
[2] Industries are grouped according to the Standard Industrial Classification 1980.

Table A.4 Index of output of the production industries 1985 = 100

SUMMARY	Total production industries	Energy and water supply	Manufacturing industries							
			Total manufacturing industries	Metals	Other minerals & mineral products[1]	Chemicals and man-made fibres	Engineering and allied industries	Food, drink and tobacco	Textiles, footwear, clothing & leather	Other manufacturing
Class [2]	DIV 1-4	DIV 1	DIV 2-4	21-22	23-24	25-26	31-37	41-42	43-45	46-49
Weights	1000	309	691	26	35	71	295	91	47	126
1971	83.0	43.4	99.0	124.8	110.1	72.0	102.6	87.1	118.5	97.0
1972	84.5	43.1	101.1	124.7	116.4	75.6	102.4	90.5	120.3	102.3
1973	92.1	46.1	110.5	138.5	128.9	85.1	111.8	95.1	126.5	114.5
1974	90.2	43.0	109.1	127.0	122.6	88.2	113.5	94.3	119.3	109.4
1975	85.3	45.0	101.6	109.9	113.0	79.0	107.4	91.7	114.3	98.4
1976	88.1	50.2	103.5	117.3	113.2	89.1	105.3	94.4	114.7	103.5
1977	92.7	61.7	105.4	115.5	112.2	91.1	107.6	95.9	118.1	106.5
1978	95.3	69.8	106.1	113.4	115.1	92.5	107.2	98.1	116.8	109.2
1979	99.0	82.4	105.9	118.2	114.2	94.9	104.8	99.8	115.4	111.6
1980	92.5	82.5	96.7	89.7	102.9	85.3	97.4	99.1	97.8	99.7
Seasonally adjusted										
1971 1	83.1	43.0	99.3	133.7	109.6	71.6	102.5	86.1	118.5	97.5
2	83.3	43.4	99.3	123.2	109.6	71.0	104.3	87.6	116.3	96.6
3	82.9	43.8	98.7	126.0	110.8	71.3	102.1	86.9	119.3	96.4
4	82.8	43.4	98.7	116.5	110.4	74.0	101.6	87.6	119.7	97.3
1972 1	78.9	35.6	96.0	107.9	106.0	72.1	97.9	88.8	116.1	96.0
2	84.8	45.1	100.9	128.2	117.1	75.5	101.6	91.3	119.0	101.9
3	85.7	45.9	101.8	126.8	117.2	75.5	102.8	90.6	122.3	103.4
4	88.6	45.9	105.8	135.9	125.3	79.3	107.2	91.2	123.8	108.0
1973 1	91.8	46.5	109.9	137.1	127.4	82.3	111.2	93.6	129.1	115.2
2	91.9	47.1	109.9	139.7	128.4	84.0	110.5	96.3	126.8	114.0
3	92.5	46.4	110.9	141.4	130.2	85.4	112.1	95.4	125.1	115.3
4	92.1	44.4	111.2	135.6	129.8	88.9	113.5	94.9	124.8	113.6
1974 1	85.6	35.5	105.5	122.8	120.2	87.7	106.6	97.3	111.2	109.3
2	93.0	44.4	112.4	133.2	127.8	90.1	116.2	95.1	125.2	114.5
3	92.9	46.4	111.5	131.4	124.0	90.4	117.4	93.7	123.4	109.8
4	89.4	45.9	106.9	120.7	118.5	84.4	114.0	91.3	117.3	103.9
1975 1	88.2	43.9	105.9	126.2	117.8	80.9	112.6	92.2	117.2	102.0
2	84.7	45.0	100.7	110.4	112.3	76.4	107.5	89.4	114.4	96.5
3	83.4	44.2	99.2	100.6	108.8	76.3	104.9	91.8	112.5	96.8
4	85.0	46.8	100.5	102.3	113.1	82.3	104.5	93.4	113.0	98.4
1976 1	86.1	47.5	101.7	111.7	114.4	86.5	104.4	90.7	115.1	100.6
2	87.7	49.2	103.2	120.4	113.0	87.5	104.9	95.7	113.2	102.8
3	87.6	49.5	103.0	119.9	112.7	90.3	103.6	96.2	114.0	103.0
4	91.2	54.7	106.0	117.3	112.6	92.2	108.3	95.2	116.7	107.4
1977 1	93.3	58.8	107.4	120.9	114.9	93.5	108.8	96.2	121.1	109.6
2	92.8	62.7	105.2	115.9	111.5	92.5	107.3	95.2	118.9	105.1
3	92.2	62.6	104.5	116.3	110.5	91.0	106.3	95.6	116.5	105.0
4	92.5	62.8	104.7	109.0	112.0	87.6	107.9	96.6	116.1	106.4
1978 1	92.9	65.2	104.5	112.1	111.4	91.6	106.3	96.7	114.8	106.1
2	95.7	69.0	106.9	116.5	115.4	92.0	107.8	100.4	117.4	109.7
3	96.5	71.2	107.1	112.1	115.7	92.9	109.0	98.3	117.4	110.1
4	96.3	73.7	105.8	112.9	117.9	93.6	105.6	97.0	117.4	110.8
1979 1	96.6	79.4	103.9	111.1	104.7	87.7	105.8	97.0	115.7	107.8
2	101.2	83.3	108.6	123.1	117.0	97.5	108.0	101.1	118.7	113.5
3	99.1	85.2	104.9	119.0	116.6	97.8	100.4	100.7	115.8	113.1
4	99.1	81.9	106.4	119.4	118.3	96.4	105.1	100.4	111.4	111.9
1980 1	97.6	83.5	103.4	73.5	113.1	95.5	105.2	100.9	106.3	108.3
2	93.8	81.6	99.0	104.1	107.2	86.4	99.8	98.9	100.6	100.3
3	90.4	81.2	94.3	94.3	98.7	79.2	95.1	98.3	95.5	96.9
4	88.4	83.8	90.3	86.8	92.3	80.0	89.4	98.3	88.9	93.3

[1] Mainly building materials.
[2] Industries are grouped according to the Standard Industrial Classification 1980.

Table A.5 Index of output of the production industries 1985 = 100

SUMMARY	Total production industries	Energy and water supply	Manufacturing industries							
			Total manufacturing industries	Metals	Other minerals & mineral products[1]	Chemicals and man-made fibres	Engineering and allied industries	Food, drink and tobacco	Textiles, footwear, clothing & leather	Other manufacturing
Class [2]	DIV 1-4	DIV 1	DIV 2-4	21-22	23-24	25-26	31-37	41-42	43-45	46-49
Weights	1000	309	691	26	35	71	295	91	47	126
1981	89.6	86.4	91.0	95.1	91.6	84.9	89.4	97.4	90.7	92.9
1982	91.3	91.6	91.2	92.5	93.5	85.0	90.5	98.9	89.3	90.6
1983	94.7	96.8	93.8	93.9	96.6	91.5	92.4	100.0	92.6	93.5
1984	94.9	88.8	97.7	93.6	100.3	96.9	96.9	100.8	96.0	98.5
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	102.3	105.4	100.9	100.1	101.3	101.9	99.2	100.8	100.8	104.4
1987	106.2	105.0	106.8	108.1	106.6	108.8	104.2	103.4	103.2	115.3
Seasonally adjusted										
1981 1	88.3	84.9	89.8	89.4	91.8	82.6	87.4	98.7	89.1	93.2
2	88.8	85.9	90.1	93.4	90.9	83.3	88.5	96.1	90.3	92.9
3	90.1	86.0	91.9	96.5	92.7	87.1	90.7	97.3	91.3	92.9
4	91.1	89.0	92.1	101.2	91.1	86.4	91.1	97.5	92.3	92.6
1982 1	90.4	86.9	91.7	98.7	92.4	85.6	91.3	98.2	89.9	90.8
2	91.9	92.1	91.8	97.4	94.3	84.6	91.2	99.3	89.4	91.1
3	91.9	94.0	91.0	89.7	94.0	84.6	90.3	99.6	89.6	90.4
4	91.1	93.3	90.1	84.4	93.4	85.2	89.2	98.6	88.4	89.9
1983 1	93.0	93.8	92.6	88.2	96.2	89.0	91.9	99.3	90.7	92.4
2	94.0	96.2	93.0	95.0	93.9	91.0	91.5	99.3	91.0	92.9
3	95.3	98.3	94.0	95.5	97.9	92.5	91.9	101.8	92.6	93.4
4	96.5	98.8	95.5	97.0	98.2	93.5	94.3	99.6	96.1	95.3
1984 1	97.2	97.4	97.1	98.5	100.2	95.4	96.0	100.8	95.0	97.9
2	94.3	87.4	97.3	91.6	100.4	95.3	96.0	102.7	95.4	98.9
3	93.5	83.0	98.2	93.5	101.5	97.7	98.0	100.7	96.1	98.1
4	94.8	87.3	98.1	91.0	99.4	99.0	97.7	99.2	97.3	99.1
1985 1	97.8	92.0	100.5	94.9	99.2	101.4	101.3	101.3	98.2	99.6
2	101.3	102.1	101.0	103.2	100.2	100.9	102.2	99.9	100.2	98.9
3	100.9	102.8	100.1	102.2	99.8	100.0	99.7	99.9	100.5	100.6
4	99.9	103.1	98.5	99.7	100.8	97.7	96.8	98.9	101.1	100.9
1986 1	101.4	106.4	99.1	97.3	98.1	99.5	98.3	99.1	99.7	101.2
2	101.5	104.8	100.0	99.5	101.2	101.6	97.9	100.3	101.6	103.1
3	103.0	107.8	100.8	99.2	101.8	102.1	98.6	101.1	100.4	105.1
4	103.3	102.5	103.7	104.2	103.9	104.5	102.1	102.8	101.6	108.1
1987 1	103.8	106.1	102.7	102.8	101.9	105.6	99.6	101.9	101.4	109.9
2	105.3	103.1	106.2	108.3	106.2	106.9	103.6	103.6	104.0	114.4
3	107.6	105.5	108.6	109.9	109.0	111.0	105.9	104.1	104.6	117.7
4	108.3	105.3	109.6	111.5	109.5	111.7	107.7	103.9	103.0	119.1
1988 1	108.6	102.6	111.2	118.0	118.2	110.7	108.1	103.9	104.3	123.4
2	109.5	102.4	112.7	119.9	116.5	111.1	110.3	104.7	102.2	126.2

[1] Mainly building materials.
[2] Industries are grouped according to the Standard Industrial Classification 1980.

Index of sources

United Kingdom balance of payments: National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Table	*Source*	*Further statistics*
Average earnings	1,23	Department of Employment	Monthly Digest of Statistics Employment Gazette
Balance of payments	1,27	Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
Banking		Bank of England	Financial Statistics
Bank loans, advances and acceptances	36,37,38		
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20 years yield	39		
Building societies		Bank of England	Financial Statistics
Advances on new dwellings	12	Building Societies Association	
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In relation to total final expenditure	7		
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Counterparts to changes in M3	30	Bank of England	Financial Statistics
Credit business (see Hire purchase)	6		

Current balance (see also Balance of payments)	1,27		
Cyclical indicators (see article on page 70)			
Distributive trades		Central Statistical Office	Monthly Digest of Statistics
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Dividends, interest and current transfer payments	34		
Domestic income (see also Incomes)	8		
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Earnings (average)	1,23	Department of Employment	Monthly Digest of Statistics Employment Gazette
Electricity (see also Energy)	15		
Employed labour force	20,21	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics
All industries and services and manufacturing	21		Employment Gazette
Energy	15		
Consumers' expenditure on fuel and light	5	Central Statistical Office	Monthly Digest of Statistics
output index for energy and water supply	16		Monthly Digest of Statistics
Primary fuel input: total, coal and petroleum	15	Department of Energy	United Kingdom Energy Statistics
Public supply: electricity	15		Energy Trends
Engineering industries		Department of Trade and Industry	Monthly Digest of Statistics
Sales and orders: total, home market and export	18		British Business
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Expenditure (see also Total final expenditure)	3,7		
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Of goods			British Business
Unit value index	25		Monthly Review of External Trade Statistics
Unit value index for manufactures (international comparisons)	26		
Value	27		
Volume index	25		
Of goods and services	3,7	Central Statistical Office	Monthly Digest of Statistics
Of passenger cars, commercial vehicles	19		
Orders; engineering industries	18		
Relative prices (as measure of trade competitiveness)	26	Department of Trade and Industry	Monthly Review of External Trade Statistics
Relative profitability (as measure of trade competiveness	26		
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CBI Intentions Inquiry	10	Confederation of British Industry	Industrial Trends Survey
Contractors' orders for private industrial work	10	Department of the Environment	Housing and Construction Statistics
In plant and machinery, new buildings and work	10	Department of Trade and Industry	Monthly Digest of Statistics
Gas (see also Energy)	15		
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Housing			
Average price of new dwellings mortgages approved	12	Department of the Environment Building Societies Association	Housing and Construction Statistics
Commitments and advances on new dwellings	12	Building Societies Association	Financial Statistics
Consumers' expenditure on housing	5	Central Statistical Office	Monthly Digest of Statistics
Fixed investment in dwellings	9,12		
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Starts and completions	12	Scottish Development Department	Housing and Construction Statistics
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Unit value index	25		
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Of goods and services in relation to total final expenditure	3	Central Statistical Office	Monthly Digest of Statistics
Price competitiveness	26	Department of Trade and Industry	Not published elsewhere
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In relation to output	17		
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Building Societies Association recommended share rate			
Eurodollar 3-month rate			
Financial Times index of industrial ordinary shares			
Inter-bank 3-month rate			
Local authorities 3-month deposit rate			
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Sterling certificates of deposit			
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US $ deposits in London			
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Manufacturing industry (see Banking; Employees in employment; Fixed investment; Hours worked; Industrial production; Output per person employed; Output per person hour; Stocks; Wage rates; Wages and salaries)			
Money stock	1,29,30	Bank of England	Financial Statistics
Motor vehicles			
New car registrations	6	Department of Transport	Monthly Digest of Statistics
Production of passenger cars and commercial vehicles: total and for export	19	Department of Trade and Industry	British Business
National disposable income	2	Central Statistical Office	
Official reserves	1,28	HM Treasury	Financial Statistics Monthly Digest of Statistics
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By construction industry (see also Construction)	10,12,18		
By contractors for private industrial work	10	Department of the Environment	Housing and Construction Statistics
By engineering industries (see also Engineering)	18		
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Manufacturing industries	16		
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Per person hour: manufacturing industry	20		
Production industries	16		
Overseas trade (see Exports; Imports; Visible trade)			
Personal disposable income	4,8	Central Statistical Office	Monthly Digest of Statistics
Personal income before tax	4	Central Statistical Office	Monthly Digest of Statistics
Petroleum (see also Energy)	15		
Population			
Estimates *per capita*, income, product and spending	8	Central Statistical Office	Not published elsewhere
Prices			
Average price of new dwellings on mortgage (see also Housing)	12		
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Producer price index: input and output	1,24	Department of Trade and Industry	Monthly Digest of Statistics British Business
Producer price index (international comparisons)	26	Department of Trade and Industry	Not published elsewhere
Relative wholesale prices (as measure of trade competitiveness)	26	Department of Trade and Industry	Not published elsewhere
Retail prices index	1,24	Department of Employment	Monthly Digest of Statistics Employment Gazette
Tax and price index	1	Central Statistical Office	Monthly Digest of Statistics

Private sector			
Capital account, financial surplus/deficit	33	Central Statistical Office	Financial Statistics
Gross fixed investment	7,9		Monthly Digest of Statistics
Housing starts and completions (see also Housing)	12		Housing and Construction Statistics
Liquidity	29	Bank of England	Financial Statistics
Producer price index (see also Prices)	1,24		
Production (see Industrial production; Motor vehicles: Output: Steel)			
Productivity: output per person employed, output per hour in manufacturing industries	20	Central Statistical Office Department of Employment	Monthly Digest of Statistics
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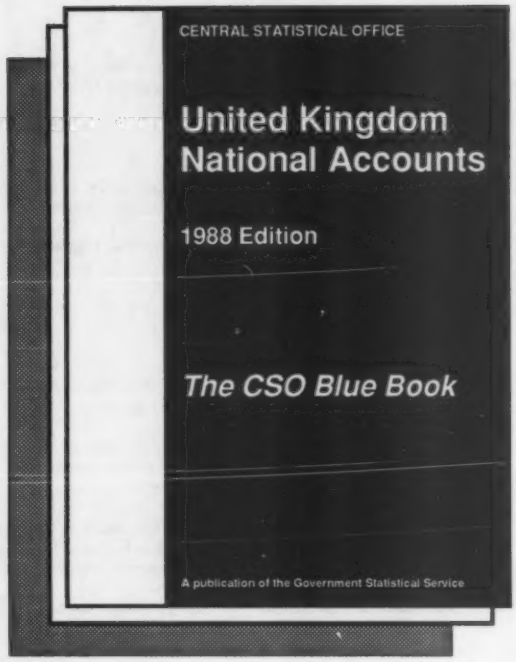
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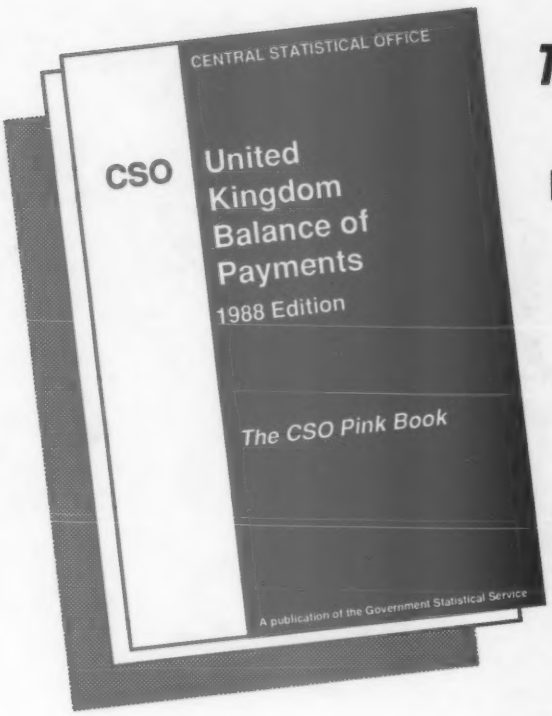

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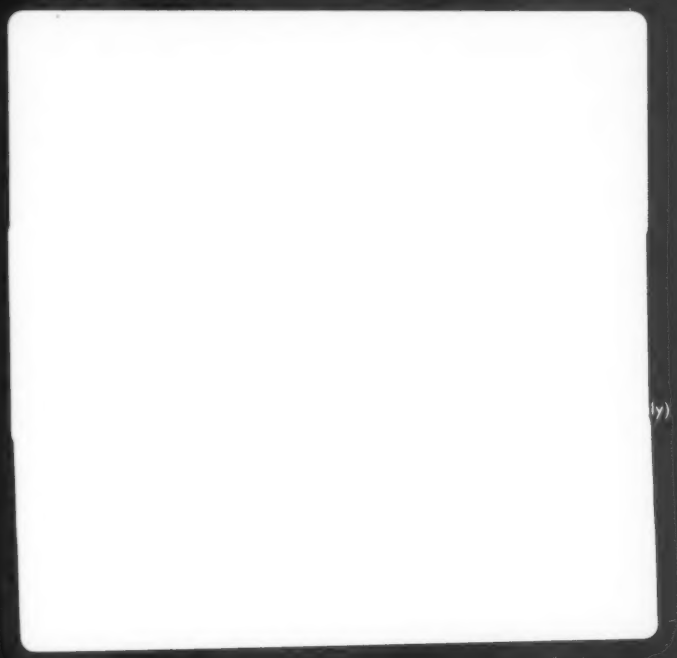

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